

RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC. OR A LIMITED LIABILITY COMPANY WITH LA CIENEGA LOMOD, INC. AS ITS SOLE MEMBER, TO ENTER INTO A LIMITED PARTNERSHIP KNOWN AS WOODLAKE PROPERTY, LP AS THE MANAGING GENERAL PARTNER, TO ACQUIRE 276 MULTI-FAMILY DWELLING UNITS AND OTHER IMPROVEMENTS LOCATED AT MULTIPLE ADDRESSES INCLUDING BUT NOT LIMITED TO 4555 W. MARTIN LUTHER KING JR. BLVD., LOS ANGELES, CALIFORNIA 90016, AND AUTHORIZING AND APPROVING RELATED ACTIONS AND DOCUMENTS



Tina Smith- Booth
President



Lisette Belon
Secretary

Purpose: The Resolution (Attachment 1) authorizes the President of La Cienega LOMOD, Inc., a California nonprofit public benefit corporation (“LCL”), or designee, to enter into a limited partnership known as Woodlake Property, L.P. (the “Partnership”) as the managing general partner (“MGP”), with Woodlake Property AGP, LLC as the administrative general partner (“AGP”) and Woodlake Property Limited Partner, LLC as the limited partner (“LP”), to purchase a property with 276 multi-family dwelling units and other improvements located at multiple addresses including 4555 W. Martin Luther King Jr. Blvd. (the “Property”) and to execute all related documents associated with the transaction and to undertake all related actions as approved by legal counsel.

Issues:

Background

LCL is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporation Law, and under the direct control of HACLA. LCL acts as a managing general partner, general partner and non-managing partner with ownership interests in fourteen property partnerships for HACLA redevelopment and development projects.

The Partnership is a Delaware limited partnership. LCL will serve as the MGP of the Partnership, with a voting and capital interest of approximately 0.37%. Woodlake Property AGP, LLC, a Delaware limited liability company, will be the administrative general partner (“AGP”, and together with MGP, the “General Partners”), with a 0.06% interest. Woodlake Property Limited Partner, LLC, a Delaware limited liability company, will be the limited partner (“LP”, and together with the General Partners, the “Partners”), with an approximately 99.57% interest in the Partnership. The percentage interests of the Partners will be set pro rata equivalent to the percentages of each partner’s capital contribution relative to the total initial capital investment. LCL will invest \$200,000 of the estimated initial capital investment of \$54,100,000.

The Partners will enter the Partnership by executing, prior to closing on the transaction, a limited partnership agreement memorializing all interests and terms of the Partnership (the “LPA”). LCL may desire at a future date to substitute a to-be-formed special purpose entity in the form of a California limited liability company with LCL as the sole member and manager. LCL will retain this right in the LPA, subject to the reasonable approval of AGP.

The AGP and LP will together have a 100% interest in an entity known as Woodlake Holdings JV, LLC (“JV”), a Delaware limited liability company. JV is a joint venture between Ethos Woodlake

Investment, LLC, a Delaware limited liability company and the managing member of JV with a 15% interest, and UIG Workforce Housing Investor, LLC, a Delaware limited liability company (“UIG”), the non-managing member of JV, with an 85% interest. UIG is an affiliate of Goldman Sachs Group, Inc., a Delaware corporation. An org chart for the Partnership is provided as Attachment 3.

UIG and its affiliates have committed over \$14 billion in loans and equity investment to revitalize and rebuild underserved neighborhoods across the United States, including through affordable housing, small business lending and investment in educational and healthcare facilities. To date, UIG and affiliates have financed the creation and preservation of over 53,000 housing units, with the majority restricted as affordable for low-, moderate-, and middle-income families, in addition to investments in community facility and office, retail and industrial spaces.

Ethos is based in Los Angeles and was founded in 2021 by principals who previously established and ran Watt Investment Partners, LLC, a Delaware limited liability company, for nine years. Ethos is a vertically integrated real estate firm with acquisitions, asset management, and development staff, and its principals have completed over \$1 billion in investments across sixteen transactions. The firm’s main business lines are ground-up affordable housing development and affordable housing preservation.

FPI Management (“FPI”) will serve as the property management company for the Property. FPI has been providing professional property management services to multifamily housing owners for over 50 years. The firm has 3,500 team members serving 215,000 residents across 1,080 managed assets. Their clients include institutional investors, international real estate investment firms, financial institutions, multifamily development builders, private investors, and City, County and State agencies. Currently, FPI manages approximately 150,000 multifamily units, located throughout California and fifteen other states. FPI has experience managing properties developed using low and moderate-income financing programs, including low-income housing tax credits (“LIHTC”), HUD insured mortgage debt, and tax-exempt bonds, as well as properties with Project-Based and tenant-based Section 8 voucher rental assistance.

The Property

The Property consists of three (3) parcels with a total land area of approximately ten (10) acres located in the Baldwin Vista & Heights neighborhood of the City of Los Angeles. The Property is in City Council District 10.

The parcels are comprised of eight (8) wood-frame buildings built between 1964 and 1966. The Property has a total of two hundred seventy-six (276) units, including ninety-seven (97) one-bedroom units, one hundred fifty-eight (158) two-bedroom units, and twenty-one (21) three-bedroom units. Current ownership has invested \$2.6 million in renovations over the past six years, the scope of which includes full refurbishing of ninety-one (91) units, partial roof replacement and repairs, refreshed entrance and walkways, and landscaping. There are seven (7) laundry centers on-site with a total of eighteen (18) washers and eighteen (18) dryers. There are three hundred ninety-six (396) total parking spaces, two hundred fifty-four (254) of which are covered and one hundred forty-two (142) of which are open.

The property currently has a vacancy rate of approximately 2.5%. The average length of tenancy across the occupied units is approximately 9.8 years. There are two current residents utilizing

Section 8 Housing Choice Vouchers. Some residents pay additional rent charges, including optional rent for certain parking spaces and pet rent charges.

The existing residential buildings and the majority of the parking spaces are located on the two parcels located on the western portion of the site along W. Martin Luther King Jr. Blvd. (the “Existing Residential Buildings Parcel”). The third parcel, located along the northeastern portion of the site along Chesapeake Avenue, is occupied by two radio towers and associated structures and infrastructure, together with additional off-street parking and a grassy lawn (the “Potential Development Parcel”). There are no residential units on the Potential Development Parcel. A portion of this parcel comprising 30,000 square feet of land space, together with aerial space and an underground easement for subsurface wiring, is leased from the current owner of the property to a third party for the purpose of operating the radio towers. The lease was effective on January 1, 2017 for a period of 20 years, with one ten-year extension at the option of the lessee. Annual rent of \$347,782 is currently paid to the lessor and escalates at 3% annually.

The Potential Development Parcel has an area of approximately 3.29 acres and is located within one of the City of Los Angeles’s R3-1 Multiple Dwelling Zones and one of its Tier 3 Transit Oriented Communities (“TOC”) Affordable Housing Incentive Areas. The TOC Tier 3 designation provides for an optional base incentive to increase the number of allowable dwelling units by 70% if a property is developed with on-site affordable units. Eligibility for the incentive is achieved by restricting the units according to one of three options: either i) 10% of the units for extremely low income (“ELI”) households (30% of area median income for Los Angeles County, or “AMI”); ii) 14% for very low income households (50% of AMI, or “VLI”); or iii) 23% for lower income households (80% of AMI, or “Lower”). The 70% increase would allow for up to 304 residential units to be built on the parcel under the current zoning.

If developed, the HACLA Regulatory Agreement requires the new development to provide a greater percentage of on-site restricted affordable housing than would otherwise be required for eligibility for the density incentive, and provides three options reflecting the different income tiers set forth in the TOC guidelines. The developer may select one of the options, but the restriction will run with the potential development parcel for the term of the regulatory agreement whether the owner elects to build to the maximum density of the site or not. A summary of the base incentive eligibility options and the requirements under the regulatory agreement is provided below:

Affordability level	Proportion of Units	
	TOC Tier 3 Eligibility (Option)	Regulatory Agreement (Requirement)
ELI (30% AMI)	10%	20%
VLI (50% AMI)	14%	24%
Lower (80% AMI)	23%	33%

The Property is located proximate to retail and employment centers, including the Baldwin Hills Crenshaw shopping mall, Macy’s department store, and surrounding commercial developments. The Kaiser Permanente Baldwin Hills Crenshaw Medical Offices are located immediately to the east of the site. Multiple schools are located within one mile of the Property. The Property is served by the Los Angeles County Metropolitan Transportation Authority’s (“Metro”) 105 bus line. Metro also recently opened an underground mass transit station approximately one mile east of the Property (Martin Luther King Jr. Station) as part of its new K Line transit project.

Funding

The purchase of the Property will be financed with three sources. First, the Partnership will assume an existing first lien loan from the Federal National Mortgage Association (“Fannie Mae”) with a balance of \$40,560,000 (“Senior Loan”). The Senior Loan has a rate of 3.490%, became effective on February 3, 2020, and has a 10-year term maturing March 1, 2030. The Senior loan has an interest only period of 84 months and will begin amortizing over a 360-month period beginning on April 1, 2027.

Second, HACLA will lend \$200,000 to the Partnership (“Authority Loan”). The Authority Loan will be subordinate to the Senior Loan and will be repaid from surplus cash remaining after payment of all operating expenses and debt service payments on the Senior Loan, but before payment of any other fees or expenses or any distributions.

The remaining funds needed to purchase the Property, including all lender-required reserves and immediate capital expenditures, will be funded with cash equity invested by the Partnership at closing. The General Partners will provide minority cash contributions, including a capital contribution by the MGP of \$200,000. The MGP will not be required to make other capital contributions in the future and its interest will be diluted if additional equity is contributed by other members in the future. The value of equity investment for the acquisition of the Property and the funding of capital reserves for renovations will be approximately \$54,100,000.

Role as MGP

As the MGP, LCL will perform those responsibilities required by the State Board of Equalization (“BOE”) to obtain and maintain a partial exemption from ad valorem property tax equal to the value of the percentage of the property that is equal to the percentage that the number of units serving lower income households represents of the total number of residential units (the “Welfare Exemption”), as set forth in Section 214(g) of the California Revenue and Taxation Code, and other responsibilities as provided in the LPA. Remaining Partnership responsibilities will be delegated to the AGP and supervised by the MGP, as required by the BOE. In consultation with legal counsel, staff understands that the Property will meet the criteria for eligibility for the Welfare Exemption for up to sixty percent (60%) of the value of the Property because 1) it will be used exclusively for rental housing and related facilities, 2) it will be owned and operated by a limited partnership in which the managing general partner is an eligible nonprofit corporation or limited liability company, 3) the acquisition will be financed with a local governmental loan from HACLA of \$200,000, and 4) the rents paid by the occupants who are lower income households will not exceed those prescribed by a deed restriction and covenant to be entered into by HACLA and the Partnership that will restrict fifty percent (50%) of the units in the Property to occupancy by households with incomes not exceeding eighty percent (80%) of the median income for Los Angeles County (“AMI”) and an additional ten percent (10%) of the units to occupancy by households with incomes not exceeding sixty percent (60%) of AMI for a period of fifty-five (55) years. The amount of the Welfare Exemption as it applies to the improvements on the potential development parcel, which is improved with parking facilities and two communication towers and related facilities, will reflect the proportionate value of the improvements on that parcel that are dedicated to the restricted affordable units.

LCL will be paid an annual fee of \$60,000 (the “Partnership Administration Fee”), increasing annually at the lesser of three percent (3%) or the consumer price index (“CPI”) for the Los Angeles-Long Beach-Anaheim metropolitan area. LCL will also receive ongoing distributions of

distributable cash from operations of the Property and distributions from capital events in accordance with its approximate 0.36% interest in the Partnership. Over the first seven years of ownership, financial modeling indicates an estimated average yield on investment of approximately 5.89%, or \$11,800 annually. The projected internal rate of return over the projected 10-year period is 12.65%

The MGP will be required to undertake certain substantial management duties on behalf of the Partnership (“Duties”), including executing and enforcing contracts, executing and delivering documents, monitoring compliance with governmental regulations and filing required documents with governmental agencies, preparing all reports to be provided to the Partners and lenders on a periodic basis, voting in all matters that require a vote of the majority in interest or unanimous approval of the General Partners, and ensuring that charitable services or benefits or information related thereto are provided to low-income tenants of the Property. The MGP will delegate many of the Duties to AGP as allowed under the BOE regulations. The MGP will also have consent rights over certain major decisions of the Limited Partnership, which are set forth in Section 5.3 of the attached limited partnership agreement.

LCL will provide no operational or financial guarantees to any lender or investor. Any required lender guarantees will be borne solely by the AGP or its affiliates. LCL’s liability will be limited to its non-recourse partnership interest, subject to carve-outs for fraud, gross negligence, or willful misconduct.

The MGP will have a right of first refusal to purchase the Property pursuant to the terms of any qualified third-party purchase offer for a period of thirty-six (36) months, provided that the MGP will need to provide a letter of intent indicating its decision to exercise the right within ten (10) business days.

The Partnership will also be subject to a required hold period for the Property of ten (10) years. The Partnership may elect to sell the Property during the hold period, provided that if the Property is sold within the first five (5) years of the Partnership (“Sale Restriction Period”), then the Partnership shall pay an early termination fee to the MGP equal to one hundred twenty percent (120%) of the Partnership Administration Fee that would have been paid to the MGP from the date of the sale through the end of the Sale Restriction Period.

Attachments:

1. Resolution
2. Limited Partnership Agreement
3. Organizational Chart

ATTACHMENT 1

Resolution

RESOLUTION NO. _____

RESOLUTION AUTHORIZING LA CIENEGA LOMOD, INC. OR A LIMITED LIABILITY COMPANY WITH LA CIENEGA LOMOD, INC. AS ITS SOLE MEMBER, TO ENTER INTO A LIMITED PARTNERSHIP KNOWN AS WOODLAKE PROPERTY, LP AS THE MANAGING GENERAL PARTNER, TO ACQUIRE 276 MULTI-FAMILY DWELLING UNITS AND OTHER IMPROVEMENTS LOCATED AT MULTIPLE ADDRESSES INCLUDING BUT NOT LIMITED TO 4555 W. MARTIN LUTHER KING JR. BLVD., LOS ANGELES, CALIFORNIA 90016, AND AUTHORIZING AND APPROVING RELATED ACTIONS AND DOCUMENTS

WHEREAS, La Cienega LOMOD, Inc. (“LCL”) is an instrumentality of the Housing Authority of the City of Los Angeles (“HACLA”) and a nonprofit public benefit corporation, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Nonprofit Public Benefit Corporation Law, consisting of Part 2 of Division 2 of Title 1 of the California Corporations Code (the “Act”);

WHEREAS, the Act authorizes LCL to make and execute contracts and other instruments necessary or convenient for the exercise of its powers;

WHEREAS, on July 7, 2022, HACLA received a proposal to partner in the purchase of an unrestricted two hundred seventy-six (276) unit multifamily real property asset located at multiple addresses including but not limited to 4555 W. Martin Luther King Jr. Blvd. In the City of Los Angeles, commonly known as Residences at Woodlake (the “Property”);

WHEREAS, on November 15, 2022, the HACLA Board of Commissioners (“BOC”) authorized LCL to enter into a limited partnership agreement (“LPA”) for Woodlake Property, LP (the “Partnership”), with Woodlake Property AGP, LLC, a Delaware limited liability company (the “AGP”), and the limited partner Woodlake Property, LP (“Limited Partner”), with LCL to act as Managing General Partner in the development and ownership of the Property;

WHEREAS, concurrent with the acquisition of the Property, the Partnership will enter into a Regulatory Agreement and Declaration of Restrictive Covenants with HACLA that will restrict fifty percent (50%) of the existing units at the Property to households with incomes not exceeding eighty percent (80%) of the median income for Los Angeles County, and another ten percent (10%) of the existing units at the Property to occupancy by households with incomes not exceeding sixty percent (60%) of the median income for Los Angeles County, and will provide for income and rent restrictions on an future development on the portion of the Property that is not currently developed with residential buildings, at rents affordable to those income levels, all for a period of fifty-five (55) years.

WHEREAS, as the MGP of the Limited Partnership, LCL will perform those responsibilities required by the State Board of Equalization (“BOE”) to obtain and maintain the Project’s welfare exemption from ad valorem property tax pursuant to Section 214(g) of the California Revenue and Taxation Code and other provisions of state law, and, as otherwise provided in the Partnership’s limited partnership agreement (“LPA”), will delegate and supervise other substantial management duties and responsibilities to the AGP;

WHEREAS, LCL will be paid a partnership administration fee of \$60,000, subject to annual escalation, by the Partnership in exchange for its services under the LPA, and will hold a 0.36% interest in

the Partnership, which percentage reflects LCL's receipt of distributed proceeds from capital events and operations and its voting rights; with the exception of a right to consent to certain major decisions;

WHEREAS, LCL will also be granted a right of first refusal to purchase the Property if a bona fide offer to purchase the Property is received during the first thirty-six (36) months of the Partnership, and will receive a termination fee if the Property is sold prior to five years from the purchase of the Property; and

WHEREAS, the Board of Directors of LCL must approve the execution of all applicable financing and ownership documents, including the LPA and any documents, certificates and agreements related to the Project.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of LCL does hereby authorize and approve as follows:

Section 1. The President, the Secretary, or the Treasurer of LCL (collectively, the "Authorized Representatives") and each of their respective designees, are each hereby authorized and directed, to do any and all things necessary and to execute, deliver and perform any and all financing, ownership or other documents, including the Limited Partnership Agreement adding LCL as the MGP of Woodlake Property, LP, all with such changes as approved by legal counsel, and all other documents or actions which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of the transactions contemplated hereby, including making an initial capital contribution by the MGP to the Partnership in an amount of \$200,000. The Authorized Representatives are also hereby authorized to withdraw LCL from the Partnership in the future, subject to its concurrent replacement in the Partnership by a special purpose California limited liability company having LCL as its sole member and manager and having the ability to perform LCL's duties under the Partnership's limited partnership agreement, and upon the same terms and with the same voting and capital interests in the Partnership as LCL has at that time. All actions heretofore taken by the officers, employees, attorneys and agents of LCL with respect to the Property transactions are hereby approved and ratified, and the Authorized Representatives of LCL are hereby authorized and directed to do any and all things necessary and to enter into and execute, acknowledge and deliver any and all agreements, assignments, certificates and other documents that they or legal counsel may deem necessary or advisable to consummate the financing and acquisition of the Property by the Partnership, and to otherwise to effectuate the purpose of this Resolution, as approved by legal counsel, without further approval of the LCL Board of Directors.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately on this 15th day of November, 2022.

LA CIENEGA LOMOD, INC.

By: _____
Cielo Castro, Chairperson

APPROVED AS TO FORM:

BY: _____
James Johnson, General Counsel

DATE ADOPTED: _____

ATTACHMENT 2

Limited Partnership Agreement

AGREEMENT OF LIMITED PARTNERSHIP

**OF WOODLAKE PROPERTY LP,
a Delaware limited partnership**

DATE: As of [_____], 2022

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LLC

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Administrative General Partner	Preamble
Agreement	Preamble
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**AGREEMENT OF LIMITED PARTNERSHIP
OF WOODLAKE PROPERTY LP,
a Delaware limited partnership**

This Agreement of Limited Partnership of Woodlake Property LP (“**Agreement**”) is made as of [_____], 2022, between Woodlake Property AGP, LLC, a Delaware limited liability company (“**Administrative General Partner**”), La Cienega LOMOD, Inc., a California nonprofit public benefit corporation (“**Managing General Partner**”), which is an instrumentality of the Housing Authority of the City of Los Angeles (“**HACLA**”), and Woodlake Property Limited Partner, LLC, a Delaware limited liability company (“**Woodlake LP**”). Woodlake LP and any such additional parties as and when admitted to the Partnership (as hereinafter defined) as limited partners shall each be referred to herein as a “**Limited Partner**” and collectively as the “**Limited Partners**”. Administrative General Partner, Managing General Partner, and the Limited Partners, shall be individually a “**Partner**” and collectively, the “**Partners**.” Administrative General Partner and Managing General Partner are herein after referred to collectively, as the “**General Partners**” and may be referred to individually as “**General Partner**” as the context may require.

**ARTICLE I
GENERAL PROVISIONS**

1.1 Organization. Woodlake Property LP, a Delaware limited partnership (the “**Partnership**”), was formed pursuant to the terms of the Delaware Revised Uniform Limited Partnership Act, 6 Del. C. § 17-101 et seq. (as amended from time to time, the “**Act**”), pursuant to that certain Certificate of Limited Partnership filed with the office of the Delaware Secretary of State on October 6, 2022 (the “**LP Certificate**”). The Partnership shall be operated in accordance with, and the Partners shall be governed by, the terms and conditions of this Agreement and the Act. If any term of this Agreement is inconsistent with any term of the Act that is not mandatory, then this Agreement shall control. The Administrative General Partner shall cause to be executed, acknowledged, and verified, as applicable, such other documents or instruments as may be necessary and/or appropriate in order to continue the Partnership’s existence in accordance with the provisions of the Act.

1.2 Business of the Partnership.

(a) The Partnership intends to acquire that certain real property located in the City of Los Angeles, County of Los Angeles, State of California, as more particularly described on Exhibit A-1 attached hereto (the “**Land**”). For purposes of this Agreement, the term “**Property**” means the Land together with all improvements from time to time thereon and all other tangible and intangible property owned by the Partnership and used in connection with the ownership or operation thereof. The Property includes a portion of land developed with buildings used as multiple family dwellings as of the date hereof, which has been designated the APNs 5046-034-011 and 5046-034-013 by the Los Angeles County Assessor (the “**Existing Residential Buildings Parcel**” { XE "Existing Residential Buildings Parcel" \t "Section 1.2(a)" }), and a partially undeveloped portion of land with no buildings used as multiple family dwellings as of the date hereof, which has been designated the APN 5046-034-012 by the Los Angeles County Assessor, and which undeveloped land may be developed by the Partnership in the future (the “**Potential Development Parcel**” { XE "Potential Development Parcel" \t "Section 1.2(a)" }).

(b) The sole purposes of the Partnership are:

(i) acquiring, owning, improving, operating, developing, leasing, and disposing of the Property.

(ii) Borrowing money, mortgaging the Property, or otherwise entering into loan transactions; and

(iii) Engaging in any lawful act or activity and exercising any powers permitted to limited partnerships organized under the laws of the State of Delaware that are related or incidental to and necessary, convenient, or advisable for the accomplishment of the above-mentioned purposes.

(c) The Partnership shall only take actions consistent with Section 1.2(b) herein. For purposes of this Agreement, the term “**Project**” means the overall financing, refinancing, renovation, and operation of the Existing Residential Buildings Parcel as contemplated by the Project Plan and Budget and this Agreement. For purposes of this Agreement, the term “**Project Plan and Budget**” means the project plan and budget for the Project that is Approved by the Partners.

(d) The Partnership intends to allocate not less than \$35,000 in capital expenditures per unit over the next ten (10) years from and after the acquisition of the Property (as shall be further set forth in the Project Plan and Budget). Such capital improvements shall include, but not be limited to, infrastructure, building preservation and improvement and interior renovations to units. Except for in cases of emergency, interior renovations shall be conducted upon unit turnover or in such a manner as to prevent permanent displacement or relocation of the unit residents. Both income restricted and unrestricted units shall receive the same level of capital improvements, including, but not limited to, finishes, appliances, panes, windows, and other improvements, shall be of comparable design, and shall be distributed on the floors of buildings and between the various buildings within the Project in a manner not to segregate restricted units from unrestricted units.

(e) Without limiting the foregoing, the Partnership will operate the Property in a manner that furthers the public charitable purpose of the Managing General Partner by providing affordable housing for low income persons and families and in compliance with the terms of those certain regulatory and extended use agreements, as applicable, recorded against the Property (as may be amended, collectively the “**Regulatory Agreement**”), including, without limitation, that certain Regulatory Agreement, to be entered into by the Partnership and HACLA, a Related Party of the Managing General Partner, in form and substance Approved by the Partners (the “**HACLA Regulatory Agreement**”).

1.3 Principal Place of Business. The principal office and place of business of the Partnership shall initially be [_____]. The address of the registered agent and registered office for the Partnership in the State of Delaware shall be located at [_____], and the name of the Partnership’s registered agent at such address is [_____]. If Approved (as hereinafter defined), a General Partner may change the principal office, place of business, or registered agent of the Partnership. For purposes of this Agreement and subject to Section 1.6 of

this Agreement, “**Approve**”, “**Approved**”, or “**Approval**” shall refer to a proposed decision, action, report, budget, election, or any other matter that has been proposed by a General Partner and has received the written approval of (i) the majority of the Limited Partners and the approval of the majority of the General Partners based on Voting Percentage or (ii) the Managing General Partner solely with respect to an MGP Consent Decision. For purposes of this Agreement, the term “**Voting Percentage**” means 0.06% with respect to Administrative General Partner, 99.90% with respect to Woodlake LP, and 0.04% with respect to Managing General Partner.

1.4 Term. The term of the Partnership commenced as of the date of the filing of the LP Certificate in the office of the Secretary of State of the State of Delaware and shall continue until January 1, 2077, unless earlier dissolved pursuant to the provisions of this Agreement.

1.5 Admission of Partners. Woodlake LP is hereby admitted as the sole limited partner of the Partnership as of the date of execution of this Agreement. Administrative General Partner and Managing General Partner are hereby admitted as the sole General Partners of the Partnership as of the date of execution of this Agreement.

1.6 Special Purpose Entity Restrictions. The Partnership anticipates assuming the Permanent Loan from Fannie Mae (the “**Permanent Lender**”), concurrent with the acquisition of the Property pursuant to a certain Assumption and Release Agreement (the “**Assumption Agreement**”). The loan agreement so assumed shall be referred to herein as the “**Permanent Loan Agreement**”. Notwithstanding anything in this Agreement to the contrary, the Partnership shall comply with the covenants to maintain its status as a single asset entity (as described in Section 4.02(d) of the Permanent Loan Agreement).

ARTICLE II CAPITAL CONTRIBUTIONS

2.1 Initial Capital. On the date the Property is acquired, (i) Woodlake LP shall contribute or be deemed to have contributed to the Partnership [____]% of the capital (“**Woodlake LP Contribution**”) as determined by the Partners as a Major Decision that is necessary to cover the costs of purchasing the Property and renovating and operating the Property in accordance with the initial Project Plan and Budget (collectively “**Project Costs**”), (ii) Administrative General Partner shall contribute or be deemed to have contributed to the Partnership [____]% of the Project Costs (“**AGP Contribution**”), and (iii) Managing General Partner shall contribute or be deemed to have contributed to the Partnership [____]% of the Project Costs (collectively with the Woodlake LP Contribution and AGP Contribution, the “**Initial Capital**”), provided, notwithstanding anything to the contrary in this agreement, in no event shall Managing General Partner’s actual cash contribution to the Partnership exceed \$200,000. The Partners anticipate that the Initial Capital along with the capital currently held by the Partnership and advances from any Approved financing of the Partnership (“**Authorized Financing**”) will cover the Project Costs. For purposes of this Agreement, the “**Residual Percentages**” of each Partner means: (i) [____]% with respect to the Administrative General Partner, (ii) [____]% with respect to the Managing General Partner and (iii) [____]% with respect to Woodlake LP.¹

2.2 Additional Contributions. No Partner is required to make additional capital contributions, however, if the Partners Approve the making of additional contributions to the Partnership, the Partners shall contribute to the Partnership an amount equal to such Partner’s Residual Percentage share of the additional capital being contributed (unless Limited Partners and Administrative General Partner agree to modify such percentages). The Capital Account and Contribution Account of each such Partner shall be credited by the amount contributed by such Partner to the capital of the Partnership pursuant to this Section as and when such contributions are made. For avoidance of doubt, the Managing General Partner may, but shall not be required to make additional contributions to the Partnership as provided in this Section, notwithstanding the terms contained in this Section. The Residual Percentage of the Managing General Partner shall not be reduced as a result of any additional capital contributions by any other Partner.

2.3 Contribution Accounts. The Partnership shall maintain for accounting purposes the following memorandum account (“**Contribution Account**”) for each Partner as follows:

(i) The balance of such account shall be increased by, and as of the date of, each contribution of capital made by such Partner, including, without limitation, the Initial Capital.

(ii) The balance of the Contribution Account of each Partner shall be decreased by any distributions to such Partner under Section 4.3(b).

2.4 Form of Contributions. Unless otherwise Approved, all contributions by the Partners to the Partnership shall be paid in cash.

¹ These percentages will be determined and inserted before execution taking into account HACLA’s contribution of \$200,000 and that of the other parties.

2.5 No Right to Interest or Return of Capital. Except as specifically provided for herein, no Partner shall be entitled to any return of or interest on contributions made to the Partnerships.

2.6 No Third-Party Rights. Any obligations or rights of the Partnership or the Partners to make or require any contribution under this Article II shall not result in the grant of any rights to or confer any benefits upon any individual or entity, or the heirs, executors, administrators, legal representatives, successors and assigns of such individual or entity (a “**Person**”) who is not a Partner, and no such Person shall have the right, under any circumstances, to enforce the obligations of the Partners under this Agreement to make contributions.

2.7 Limitations. Except as set forth in this Article II or Exhibit B, and subject to Section 1.6, no Partner shall be entitled or required to make any contribution or loan to the Partnership. No Partner shall have any liability for the repayment of the contribution of any other Partner (other than as set forth in this Article II or Exhibit B), and each Partner shall look only to the assets of the Partnership for return of its contributions.

2.8 Third Party Loans and Other Financing.

(a) Initial Permanent Loan. On the date the Property is acquired, the Partnership shall assume a loan from (i) the Permanent Lender (the “**Permanent Loan**”), which Permanent Loan is evidenced by certain documents, including the Loan Agreement (collectively, the “**Permanent Loan Documents**”), and (ii) HACLA (the “**HACLA Loan**” and together with the Permanent Loan, the “**Loans**”), which HACLA Loan is evidenced by certain documents, including that certain Loan Agreement (“**HACLA Loan Agreement**” and collectively, the “**HACLA Loan Documents**” and together with the Permanent Loan Documents, the “**Loan Documents**”). By execution of this Agreement, the Partners have Approved the Permanent Loan and HACLA Loan as a Major Decision. The Administrative General Partner and the Managing General Partner are authorized to execute and deliver the Loan Documents on behalf of the Partnership. The net proceeds of the Loans shall be used to pay Project Costs in accordance with the Project Plan and Budget. The Loans shall constitute an Authorized Financing hereunder.

(b) Recourse Guaranty. If, in connection with any Authorized Financing, any lender requires the execution of standard nonrecourse carve-out guaranties and environmental indemnities, as applicable, to facilitate the closing and funding of any Authorized Financing (each, a “**Recourse Guaranty**”), Administrative General Partner may elect, in its sole and absolute discretion, to cause a Related Party of Administrative General Partner, to provide all such Recourse Guaranties in form and substance acceptable to Administrative General Partner, in its sole and absolute discretion. To the extent that Administrative General Partner or its Related Party is required to pay amounts under any Recourse Guaranty (a “**Recourse Guaranty Payment**”) for any reason, the Partnership shall upon five days’ written demand reimburse the Administrative General Partner or its Related Party (as applicable) for any Recourse Guaranty Payment, plus interest thereon, at the lesser of (i) 10% per annum compounded annually and (ii) the maximum interest rate permitted by law. No Partner shall have any obligation to fund capital to the Partnership in order to fund any such reimbursements to Administrative General Partner or its Related Party. Notwithstanding anything contained in this Agreement, (i) the Administrative General Partner shall not be required to pay any Recourse Guaranty Payment for any Authorized Financing until such

Authorized Financing is paid in full; and (ii) the Managing General Partner shall not be responsible to pay any Recourse Guaranty Payment at any time.

(c) Managing General Partner Responsibilities. Managing General Partner shall reasonably cooperate with Administrative General Partner in such manner as Administrative General Partner may reasonably request to facilitate any Partnership financing or financing modification including without limitation executing an amendment to this Agreement or an assignment to evidence the admission of a new limited partner (including any limited partner being admitted in connection with a tenant ownership program that may be established by the Partnership) and to modify the terms hereof in connection with such admission (including adding such terms required by such limited partner), provided that any such admission of a new limited partner will in no way decrease the Residual Percentage and/or Voting Percentage of the Managing General Partner without Managing General Partner's approval.

ARTICLE III **CAPITAL ACCOUNTS AND ALLOCATIONS**

3.1 Tax Matters. Certain additional tax matters affecting the Partners are set forth in Exhibit B attached hereto. Each Partner acknowledges and agrees that it has read such Exhibit in its entirety, has consulted with its own tax advisors and is aware of the income tax consequences of the matters set forth therein and the economic impact of such matters on the amounts receivable by it under this Agreement. No Partner has made any representation or warranty to any other Partner with respect to the tax effect of the matters set forth in this Agreement except as specifically set forth herein.

ARTICLE IV **DISTRIBUTIONS**

4.1 Maintenance of Reserves and Prohibited Distributions.

(a) Reserves – General. The Partnership shall maintain such reserves (i) as required pursuant to the Permanent Loan or any other Authorized Financing or (ii) as Approved.

(b) Prohibited Distributions. Notwithstanding any provision of this Agreement to the contrary, the Partnership shall not make any distributions prohibited by the terms of the Act or the Authorized Financing.

4.2 Distributions of Distributable Cash. Cash funds received from operation of the Property (not including Capital Event Proceeds or advances from Authorized Financing), less the sum of (a) an amount sufficient for the payment of all expenses of the Partnership set forth in the Project Plan and Budget then due and payable (including but not limited to the Partnership Administration Fee, and for avoidance of doubt, including scheduled capital expenditures incurred pursuant to the Project Plan and Budget and any debt service due on the Loans), and (b) reserves for the Partnership established pursuant to Section 4.1(a) above, including, (i) reserves to manage contingent liabilities and (ii) reserves for contractual obligations with third parties (such difference referred to herein as "**Distributable Cash**"), subject to the terms of any Authorized Financing, shall be distributed at the time and in such amounts, as Administrative General Partner shall

determine, but in all events in the following priority (but subject to the provisions of ARTICLE IX):

(a) First, to reimburse amounts owed to Administrative General Partner and its Related Party in connection with any Recourse Guaranty Payment; and

(b) Second, to the Partners in accordance with their Residual Percentages.

4.3 Distribution of Capital Event Proceeds. Net proceeds received by the Partnership from any sale, financing, refinancing, or other capital event (but excluding insurance proceeds to the extent that the Partners are required by any Authorized Financing or elect as a Major Decision to utilize to repair, restore or replace damaged or destroyed property or improvements at the Property) (“**Capital Event Proceeds**”), less the sum of (a) an amount sufficient for the payment of all expenses of the Partnership set forth in the Project Plan and Budget then due and payable, and for avoidance of doubt, including capital expenditures incurred pursuant to the Project Plan and Budget and any debt service due on the Loans, shall be distributed within two Business Days of receipt by the Partnership, in the following priority (but subject to the provisions of ARTICLE IX):

(a) First, to reimburse amounts owed to Administrative General Partner and its Related Party in connection with any Recourse Guaranty Payment; and

(b) Second, pro rata to the Partners until the balance of their Contribution Accounts have been reduced to zero; and

(c) Third, pro rata to the Partners in accordance with their Residual Percentages.

4.4 Distributions Upon Liquidation. In the event the Partnership (or a Partner’s interest therein) is “liquidated” within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g), then any distributions shall be made pursuant to Section 4.3 to the Partners (or such Partner, as appropriate).

4.5 Compliance with Applicable Law. Notwithstanding any provision to the contrary contained in this Agreement, the General Partner shall not make any distribution of Distributable Cash to any Partner if such distribution would violate Section 17-607 of the Act or other applicable Laws.

ARTICLE V **POWERS AND DUTIES**

5.1 Management of the Partnership.

(a) Subject to the terms and conditions of this Agreement, the General Partners shall have responsibility and authority for the management and operation of the business and affairs of the Partnership. The Administrative General Partner, after obtaining Approval if the execution of such document would constitute a Major Decision, is authorized to execute documents on behalf of the Partnership, provided that no such Approval violates any applicable law. Each General Partner agrees to execute any documents on behalf of the Partnership that are Approved. Except for the authority expressly granted to the General Partners in this Agreement, and subject to the

Limited Partners' rights under this Agreement, no Partner, employee, or other agent of the Partnership shall have any authority to bind or act for the Partnership or any other Partner in carrying on their respective businesses or activities. Any savings to the Partnership and the Project attributable to the Property Tax Exemption shall be used to maintain the affordability of the units occupied by lower income individuals or otherwise passed on to the low-income tenants at the Project in accordance with all applicable provisions of Section 214(g) of the California Revenue & Taxation Code (the "**Property Tax Rules**"). The Partners acknowledge that the savings contemplated by the Property Tax Exemption are necessary in order for the Partnership to meet its debt underwriting and financing assumptions, and therefor to keep the Project affordable to low-income tenants. The Partners further acknowledge that the Partners would not undertake to develop the Project and provide affordable housing created by the Project unless the savings contemplated by the Property Tax Exemption were available to help underwrite the Project's operating expense.

(b) Managing General Partner Authority and Duties.

The Managing General Partner shall have the following duties and obligations with respect to the Project:

(i) Substantial Services. The Managing General Partner shall provide regular, continuous and substantial services to the Partnership and shall be the "managing general partner" of the Partnership, as such term is used in Section 214(g) of California Revenue & Taxation Code, and as further defined in the Property Tax Rules of the BOE, specifically, Property Tax Rule 140.1(a)(6). The Managing General Partner, within the authority granted to it under this Agreement, shall materially participate in the control, management and direction of the Partnership's business, and shall manage and control the affairs of the Partnership and carry out the purposes of the Partnership. The Managing General Partner directly, or indirectly, under its supervision, manages the Partnership. In so doing, the Managing General Partner shall take all actions necessary or appropriate to protect the interest of the Partners and of the Partnership. The Managing General Partner shall devote such of its time as is necessary to the affairs of the Partnership.

(ii) Annual Inspections. The Managing General Partner shall annually conduct a physical inspection of the Project to ensure that the property is being used as low-income housing and meets all of the requirements applicable pursuant to the Property Tax Exemption provided for under Section 214(g) of the California Revenue & Taxation Code, as amended, and as further defined by Property Tax Rule 140.

(iii) Welfare Exemption. The Managing General Partner shall take all actions reasonably necessary or appropriate to obtain and maintain on an annual basis, to the maximum extent permitted, the Property Tax Exemption (as defined below) and Supplemental Clearance Certification ("SCC") for the Project (and will rely on the information obtained from the Administrative General Partner to obtain such Property Tax Exemption and SCC), certifying that the Project meets all of the requirements set forth in Property Tax Rule 140 (the "**Property Tax Exemption**"). Notwithstanding anything to the contrary herein, if the Managing General Partner, in its reasonable discretion, is unable to make the representation necessary to file the application for the Property Tax Exemption or to update the certificates required by the BOE based upon the provisions of this Agreement, then the Partners shall reasonably cooperate to amend the

Partnership Agreement and/or take reasonable actions to allow the Managing General Partner to make the necessary representations. Further, (i) if the Partners fail to take reasonable actions to permit the Managing General Partner to file the Property Tax Exemption or to update the certificates required by the BOE and/or (ii) if the BOE amends the Property Tax Rules so that the Project no longer qualifies for the Property Tax Exemption, then in each case, the Managing General Partner shall not be in default under this Agreement if the Partnership's subsequent inability to obtain or maintain the Property Tax Exemption is due to the failure of the Partnership to take reasonably appropriate actions and/or amend this Agreement so that it is in compliance with the Property Tax Rules (if applicable, as amended).

(iv) No Default. In addition, if in any year the Project no longer qualifies for the Property Tax Exemption due to any action or inaction by any Person other than the Managing General Partner or any Related Party thereof (including but not limited to the failure of the Administrative General Partner to submit accurate information to the BOE), the Managing General Partner shall not be in default under this Agreement, shall not be responsible for any damages, fees or costs, including any consequential or punitive damages, as a result of such failure to qualify for the Property Tax Exemption, and further, such non-qualification under this Section shall not cause or be deemed to cause the removal of the Managing General Partner from the Partnership under the provisions of Section 10(a).

(v) Substantial Management Duties. The Managing General Partner shall undertake the specific substantial management duties (“**Substantial Management Duties**”) on behalf of the Partnership:

- (A) execute and enforce all contracts by the Partnership;
- (B) execute and deliver all Project Documents on behalf of the Partnership;
- (C) monitor compliance with all governmental regulations and file or supervise the filing of all required documents with governmental agencies related to the Project;
- (D) prepare or cause to be prepared all reports to be provided to the Partners or Lenders on a monthly, quarterly, annual or other basis consistent with the requirements of this Agreement and the Project Documents, as applicable;
- (E) Vote in all matters related to the Partnership that require a vote of the majority in interest or unanimous approval of the General Partners; and
- (F) ensure that charitable services or benefits, such as vocation training, education programs, childcare and after-school programs, cultural activities, family counseling, transportation, meals, and linkages to health and/or social services are provided or information regarding charitable services or benefits are made available to the low-income housing tenants of the Project.

(vi) Managing General Partner represents, warrants, and covenants to the other Partners that (A) Managing General Partner is a California non-profit public benefit

corporation meeting the requirements of California Revenue and Taxation Code Section 214, (B) Managing General Partner has been recognized by the IRS as being a tax-exempt entity within the meaning of 501(c)(3) of the Code, (C) a valid and current Organizational Clearance Certificate is in effect with respect to Managing General Partner, and (D) none of the officers, directors, partners, shareholders or members of the other Partners, nor any of their Related Parties, individually or collectively, have a controlling vote or majority interest in the Managing General Partner.

(vii) Managing General Partner agrees to maintain its status as an eligible non-profit public benefit corporation meeting the requirements of California Revenue and Taxation Code Section 214 for purposes of satisfying the requirements of the Property Tax Rules and to file a “Supplemental Clearance Certificate” related to the Project, annually as required by the Property Tax Rules.

(viii) Managing General Partner shall immediately notify the other Partners if it becomes aware of any reason that would jeopardize the Property Tax Exemption pursuant to the Property Tax Rules and shall provide copies to the other Partners of all documents filed by the Managing General Partner in connection with the Property Tax Exemption.

(c) Delegation of Duties. Notwithstanding anything contained in the Agreement to the contrary, the Managing General Partner may delegate its Substantial Management Duties only in the event that such a delegation is to persons who, under its supervision, perform such duties for the Partnership. If the Managing General Partner elects to delegate one or more of its Substantial Management Duties, then the Managing General Partner shall demonstrate by maintaining appropriate records and otherwise that it is actually supervising the performance of the delegated duties. Accordingly, the Managing General Partner hereby delegates to the Administrative General Partner, the Substantial Management Duties described in Section 5.1(b)(iv) of this Agreement, with the exception of Section 5.1(b)(iv)(E), which delegation shall terminate upon the earlier of (i) the removal of the Managing General Partner or the Administrative General Partner as a general partner of the Partnership pursuant to the terms of this Agreement, (ii) the sale of the Project, (iii) the termination of this Agreement or the Partnership, or (iv) the breach of this Agreement by the Administrative General Partner. Notwithstanding the foregoing or anything to the contrary in this Agreement, the Managing General Partner or Substitute Managing General Partner shall not delegate its consent right for any MGP Consent Decision to any party. The Administrative General Partner shall indemnify, defend and hold harmless the Managing General Partner and its directors, officials, commissioners, agents, employees and contractors (collectively, the “**Indemnitees**”) from and against, and, upon demand reimburse the Indemnitees from, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including, without limitation, reasonable attorneys’ fees and disbursements, which may be imposed upon, asserted against or incurred or paid by the Indemnitees by reason of the Administrative General Partner’s negligence, willful misconduct, or breach of this Agreement related to its performance or lack of performance of the delegated Substantial Management Duties and, for avoidance of doubt, any and all Major Decisions that are not MGP Consent Decisions and for which Managing General Partner did not affirmatively Approve. Notwithstanding the foregoing, the Administrative General Partner shall have no liability for actions hereunder if the Administrative General Partner reasonably believes in good faith that such actions are within the scope of the authority conferred under this Agreement and such action (or failure to act) does not constitute negligence, willful misconduct, malfeasance, a material breach of the Administrative General Partner’s fiduciary duty to the

Managing General Partner, a breach of this Agreement, or a violation of State or Federal securities law. The foregoing indemnification obligations of the Administrative General Partner shall survive the expiration or termination of this Agreement.

(d) Administrative General Partner Duties. The Administrative General Partner shall reasonably cooperate with Managing General Partner to collect and provide resident data and other data necessary for Managing General Partner to annually prepare for, and obtain, the Property Tax Exemption in accordance with the Property Tax Rules. The Administrative General Partner shall further perform the following management duties on behalf of the Partnership:

(i) rent, maintain and repair the low-income housing property, or if such duties are delegated to a management agent, participate in the hiring and overseeing of the work of the management agent;

(ii) acquire, hold, assign or dispose of the Partnership's Property, or any interest therein, subject to the terms and conditions of the Partnership Agreement;

(iii) borrow money on behalf of the Partnership, encumber Partnership assets, place title in the name of a nominee to obtain financing, prepay in whole or in part, refinance, increase, modify or extend any obligation subject in each instance to the terms and conditions of the Partnership Agreement;

(iv) determine the amount and timing of distributions to Partners and establish and maintain all required reserves; and

(v) cooperate reasonably with Managing General Partner regarding the maintenance of the Partnership's records and documents.

(e) The Managing General Partner shall maintain the records and documents of the Partnership ("**Management Documents**"). Such records and documents may include, but are not limited to:

(A) accounting books and records;

(B) tax returns;

(C) budgets and financial reports;

(D) reports required by Lenders;

(E) documents related to the construction of the Project;

(F) legal documents such as contracts, deeds, notes, leases and deeds of trust;

(G) documents related to complying with government regulations and filings;

(H) documents related to property inspections;

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

- (J) reports prepared for the Partners;
- (K) bank account record;
- (L) audited annual financial statement of the Partnership, provided that such audited financial statements are not required prior to the year the Project is placed in service; and
- (M) any property management agreement.

5.2 Sale of Property.

(a) Sale Authority. Notwithstanding anything to the contrary contained in this Agreement, once a sale of all or any portion of the Property has been Approved, Administrative General Partner shall cause the Partnership to (i) engage a broker or brokers, (ii) incur expenses in connection with the marketing of the Property, such as the preparation of studies, sales offerings and brochures, and legal fees to prepare and negotiate agreements, (iii) proceed with the marketing and sale of the Property, and (iv) execute agreements, deeds, certificates, assignments, and other certificates with respect to such sale (and, if expressly required by Section 5.3 of this Agreement, to the extent Approved by the Partners) on behalf of the Partnership and thereby bind the Partnership.

(b) Managing General Partner Responsibilities. Managing General Partner shall reasonably cooperate with Administrative General Partner in such manner as Administrative General Partner may reasonably request to facilitate the marketing and sale of the Property; provided that Managing General Partner shall have no obligation to incur any costs or fees associated with any such marketing and sale and, and to the extent not paid for by the Partnership, Administrative General Partner will be responsible to pay all reasonable attorneys' fees and other reasonable staff and administrative out-of-pocket costs incurred by Managing General Partner in preparation for a sale.

(c) Alternative Right to Sell Partnership Interest of all Partners. Administrative General Partner shall have the right to restructure the sale of all or any portion of the Property as a sale of the Partnership Interest of all the Partners, and in such event, each Partner shall be obligated to convey to the third party good and marketable title to its Partnership Interest free and clear of all liens and encumbrances. Each Partner agrees to cooperate and to take all actions and execute all documents reasonably necessary or appropriate to reflect the sale of the Partnership Interest of each Partner; provided that (i) the net proceeds from the sale of the Partnership Interest of each Partner shall not be less to each Partner than each Partner would have received had the Property been sold instead of the Partnership Interest and (ii) the sale of the Partnership Interest does not increase the tax liability of the selling Partner as compared to a sale of the fee interest in the Property. Except with respect to the Managing General Partner, in the event the Partners are required in connection with any sale under this Section to take on joint and several liability, each Partner hereby agrees to indemnify and hold harmless the other Partners for all liabilities so incurred by the non-indemnifying Partner in excess of such Partner's Residual Percentage, except that no Partner shall indemnify another Partner for the fraud, misappropriation, negligence, willful misconduct, or breach of this Agreement of any such Partner and upon the closing of any such sale, the Partners shall enter into a contribution agreement to effectuate such indemnification in form and substance acceptable

to the Partners. For avoidance of doubt, the Administrative Partner and other Partners (to the extent applicable and subject to Section 6.1 hereof) agree to indemnify and hold harmless the Managing General Partner for all liabilities so incurred with respect to such sale, except to the extent such liability is caused by the fraud, misappropriation, negligence, willful misconduct, or breach of this Agreement by the Managing General Partner.

5.3 Specific Approval Rights of Partners. Notwithstanding any provision of this Agreement to the contrary (except for Sections 1.6, 2.8 and 5.2 which shall be controlling), no General Partner shall, in the exercise of its authority on behalf of the Partnership under this Agreement, nor shall any General Partner permit any Related Party of such General Partner to, take or cause the Partnership to take any of the following actions (each, a “**Major Decision**”), except to the extent such action is otherwise Approved in this Agreement or, in each instance, Approved in accordance with this Section 5.3 (the parties agree that subsections b, d, m, n, x, z, aa, bb, ff, and hh and to the limited extent set forth below, g, i, j, l, s, y, ee, jj and kk of this Section 5.3 are actions that require an affirmative vote by the Managing General Partner (a “**MGP Consent Decision**”) in addition to Approval by the Partners. Notwithstanding anything to the contrary in this Section 5, any decisions related to the Potential Development Parcel or the subdivision of the Property into the Existing Residential Buildings Parcel and the Potential Development Parcel (or parcels of similar sizes) as legally separate lots shall be made solely by the Administrative General Partner, with the Approval of the Limited Partners if required by this Section 5.3, and will only require the affirmative vote of the Managing General Partner if taking such action would constitute an MGP Consent Decision under Section 5.3(d) or would violate the terms of this Agreement.

(a) Except as provided in Section 2.8, borrow money, issue evidences of indebtedness, or grant any mortgages or other encumbrances on or security interests in the assets of the Partnership, including any financing or refinancing of the Property or any portion thereof, or modify, amend, extend, renew, change, or prepay, in whole or in part, any borrowing, financing, or refinancing, including, granting any approvals or consents, or make any commitments to borrow funds or give any consideration to obtain a commitment for the loan of funds;

(b) In connection with any financing, guaranty the payment of any money, or debt of another Person, or guaranty the performance of any other obligation of another Person;

(c) Except as provided in Section 5.2, sell, convey, exchange, mortgage, subdivide, or otherwise transfer or encumber (including the granting of any easement or license) all of or any interest in the Property or any real or personal, tangible or intangible property, other than non-material transfers of personal, tangible, or intangible property in the ordinary course of business;

(d) Take any action that would violate an affirmative or negative covenant or other provision of any document evidencing or securing any Authorized Financing, the HACLA Regulatory Agreement, or other material agreement binding on the Partnership or the Property or take any action that is in violation of applicable Laws;

(e) Enter into or amend, modify, or terminate any contract for the servicing, operation, management, renovation, construction, design, improvement, maintenance, or repair of the Property other than any contract that (i) is terminable without penalty upon not more than thirty

(30) days' prior written notice from the Partnership, (ii) is entered into in the ordinary course of the Partnership's business, or (iii) is for work or services contemplated in the Project Plan and Budget and that otherwise does not require Approval under the terms of this Agreement;

(f) Take any action that would cause the guarantor or guarantors under the Recourse Guaranty to incur any liability thereunder;

(g) Amend, modify, or deviate from the Project Plan and Budget (and no Project Plan and Budget shall become operative or effective until Approved), provided that a reduction, in the aggregate, of ten percent (10%) or more from the operating expenses in the initially Approved Project Plan and Budget (not including any reduction to extraordinary security expenses contemplated in the initially Approved Project Plan and Budget) shall be a MGP Consent Decision;

(h) Amend, modify, or deviate from plans and specifications for the renovation of the Project (the "**Project Plans**");

(i) Institute legal action or proceedings (including any tax abatement proceeding) or otherwise bring or prosecute any claim available to the Partnership, or settle any claim against the Partnership or any other matter, in each case outside of the ordinary course of business of the Partnership; or settle any tax abatement or eminent domain taking. Notwithstanding the foregoing, (x) the commencement of any litigation by the Partnership involving an aggregate claim of \$50,000 or more shall require Approval, and (y) any litigation or settlements relating to tax abatements shall be a MGP Consent Decision;

(j) Change the business of the Partnership as described in Section 1.2(b), name the Project (or change the name of the Project), change the primary use of the Project, or make or agree to any changes to the zoning of the Property or any portion thereof, materially alter, re-develop, or renovate the Project or the Property (other than in accordance with the Approved Project Plans, the Project Plan and Budget, or as is reasonably required to protect the health and safety of Project residents), provided that a change to the sole purposes of the business of the Partnership as described in Section 1.2(b) shall be a MGP Consent Decision;

(k) Approve the terms or provisions of any restrictive covenants or easement agreements or any documents establishing, evidencing, or relating to a condominium or similar association or related entity affecting the Property or any portion thereof or any amendments or modifications thereof;

(l) Subject to Section 1.6, dissolve the Partnership, effect a merger, conversion, consolidation or other reorganization of the Partnership or modify or amend this Agreement or the LP Certificate, provided that any such action described in this subsection (except for a dissolution under Section 9.1(a)(i)), shall be a MGP Consent Decision only if any such foregoing action shall cause the Voting Percentage and/or Residual Percentage of the Managing General Partner to be decreased or eliminated or would otherwise limit or eliminate any of the rights of the Managing General Partner under this Agreement by more than a de minimis extent;

(m) Except as permitted under this Agreement or any Approved Related Party Agreement, employ or contract with or pay any amount to any Related Party of a Partner or any other Person in which a Partner has a direct or indirect financial interest in connection with any

services to be provided to the Project. In order to be valid, any Approval in connection with the foregoing must expressly acknowledge that such compensation or reimbursement is to be paid to such Partner or a Related Party of such Partner;

(n) Grant any general power of attorney or other unlimited authority to act on behalf or in the name of the Partnership, except in connection with any action otherwise permitted by the Administrative General Partner without Approval in this Agreement or as otherwise set forth in the Loan Documents;

(o) Select accounting principles, practices, or policies with respect to the maintenance of the Partnership's books and records and any material change to accounting and related matters material to the Partnership or the Partners or any material changes to accounting principles, practices, or policies;

(p) File any voluntary petition for the Partnership under the Bankruptcy Code, or seek the protection of any other federal or State bankruptcy or insolvency law or debtor relief statute, or consent to the institution or continuation of any involuntary bankruptcy proceeding, or fail to contest any involuntary bankruptcy proceeding within 15 days of its institution, or the admission in writing of the inability to pay debts generally as they become due; or the making of a general assignment for the benefit of creditors;

(q) Make any other decision or take any other action that by any provision of this Agreement is required to be Approved or as to which the Act specifically mandates that the vote or approval of the Partners is required (and such provision of the Act has not been superseded by this Agreement);

(r) Other than in the ordinary course of the Partnership's business, exercise any right or remedy under or otherwise in connection with any agreement entered into by the Partnership, including, any approval, consent, election, recoveries, termination right or post-closing direction;

(s) Enter into (or amend) any lease or other use or occupancy agreement for space within the Project other than leases to residential tenants with a rental term of a year or less pursuant to an Approved form of lease and with rents satisfying the requirements of the HACLA Regulatory Agreement and the Project Plan and Budget. Notwithstanding the foregoing, the leasing of any space to be used as a liquor store, gambling facility, check cashing establishment, firearms business, adult entertainment business, automotive or truck maintenance or repair shop, automotive sales center or dealership, automotive or truck fuel station, or marijuana dispensary shall be a MGP Consent Decision;

(t) Intentionally Deleted;

(u) Engage a property manager or leasing agent or enter into or terminate a property management or leasing agent agreement, provided that the management fee for such manager shall not exceed five and one-half percent (5.5%) of gross revenue collections, and that such property manager shall agree to comply with a property management plan, including use of a form of lease, that has been approved by the Managing General Partner;

(v) Repair or rebuild the Property or any portion thereof in case of material damage to the Property (*i.e.*, costing more than \$50,000) arising out of a casualty or condemnation or settle or compromise any casualty or condemnation claim in excess of \$50,000;

(w) The payment of any leasing commissions or fees other than as set forth in the Project Plan and Budget;

(x) Take any action that is reasonably foreseeable to jeopardize the Property Tax Exemption under the Property Tax Rules;

(y) Appoint any accountants, consultants, lobbyists or lawyers for the Partnership other than as expressly provided in the Project Plan and Budget; provided that the appointment of lobbyists on behalf of the Partnership or lawyers that have a non-waivable conflict of interest with MGP will be a MGP Consent Decision;

(z) Acquire any real property or any interest therein or any material assets unrelated to the Property;

(aa) Liquidate the Partnership, other than in accordance with this Agreement;

(bb) Amend or otherwise modify the HACLA Regulatory Agreement;

(cc) Hire any employees for the Partnership;

(dd) Permit or cause (i) any reduction or modification in the amount or type of insurance coverage maintained by or on behalf of the Partnership as set forth in this Agreement or (ii) the reinvestment for restoration of insurance or condemnation proceeds in excess of \$150,000, in each case except to the extent required pursuant to the provisions of the documents evidencing the Permanent Loan Documents;

(ee) Make any election or decision affecting the tax treatment of the Partners and their owners in connection with their participation in the Partnership including, but not limited to, the changing of the Fiscal Year of the Partnership, provided that any such election or decision that would or could affect the Property Tax Exemption shall be an MGP Consent Decision;

(ff) Make any distribution not contemplated in this Agreement or any distribution in-kind to any Partner;

(gg) Establish or, to the extent established in any Project Plan, make any material modifications to the construction schedule for the construction of the Project other than to reflect delays which have occurred due to force majeure;

(hh) Cause the Partnership to make any investment, purchase any securities or hold any funds, including but not limited to escrow accounts, security deposit accounts, or operating accounts, in any form other than conventional bank accounts, such as checking accounts, savings accounts, clearing or deposit accounts, certificates of deposit, or other customary reserve accounts;

(ii) Establish insurance requirements for the Company, any Subsidiary or the Property or settling insurance claims in excess of \$100,000;

(jj) Permanently remove from the Potential Development Parcel (i) amenities that are at that time expressly required to be provided to the residents of the buildings located on the Existing Residential Buildings Parcel pursuant to the then current residential leases, or (ii) parking that is at that time expressly required under the City of Los Angeles's zoning codes to be provided to the residents of the buildings located on the Existing Residential Buildings Parcel, which removal would materially diminish the value of the Existing Residential Buildings Parcel; provided, however, for the purposes of this Section 5.3(jj), it is acknowledged that no open space currently present on the Potential Development Parcel will be considered an amenity, except to the extent that any such open space is expressly provided for the benefit of any resident of the Existing Residential Buildings Parcel pursuant to any lease in effect at the time such determination is made (an "Open Space Benefited Lease"); provided, further, even if any Open Space Benefited Leases are then in effect, Owner shall retain the right to remove the open space amenity so long as there is a corresponding reduction in rent with respect to each such Open Space Benefited Lease then in effect based on the suggested valuation for "recreational facilities" set forth in the Los Angeles Housing Department Rent Adjustment Commission Regulations Section 415.02 as in effect of the date of such determination (or if no longer in effect as of such date, as last in effect);

(kk) Make any commitment or agreement or enter into any understanding to do any of the foregoing, provided that the approval of the Managing General Partner shall be required only for any commitment or agreement or entering into any understanding to do any of the foregoing to the extent it would be a MGP Consent Decision.

The General Partner proposing a Major Decision shall submit such Major Decision in writing for the other Partners' review and decision. A submission of a Major Decision to the Partners shall not be deemed to be complete unless accompanied by all supporting documentation reasonably requested by the Partners to enable the Partners to make an informed decision with respect to such Major Decision. Each Partner shall provide a decision in writing with respect to a Major Decision to the requesting General Partner within five Business Days following the Partners' receipt of a complete submission with respect to such Major Decision request. In the event of a failure of a Partner to respond to any such Major Decision request, the requesting General Partner shall resubmit the Major Decision request and all supporting documentation to such Partner. A Partner's failure to provide a decision in writing to the requesting General Partner within two Business Days following such Partner's receipt of such resubmission shall be deemed disapproval of such Major Decision (except if the Partner who has failed to respond is the Managing General Partner, in which event, the failure to respond shall be deemed approval of such Major Decision). If a General Partner takes any action that is a Major Decision without first obtaining Approval (or deemed Approval), the other Partners retain all rights and remedies hereunder and, in addition, all amounts spent by such General Partner in taking such action shall not be Project Costs hereunder and such General Partner shall receive no credit or reimbursement for any such amounts spent.

5.4 Additional Rights of Limited Partners.

(a) Additional Rights. In addition to other rights reserved or granted to Limited Partners, each Limited Partner and its agents and representatives shall have the right, at any time and from time to time, upon reasonable notice (which shall not be deemed to require notice of more than two (2) Business Days) and during normal business hours to:

(i) review (A) the books and records required to be maintained under ARTICLE VIII below and (B) any information and reports relating to the management, operations, policies, or strategies of the Property or other assets of the Partnership; and

(ii) discuss, provide advice, and consult with the General Partners with respect to the business, financial, and other operations of the Partnership and any other matters materially affecting the business and affairs of the Partnership.

5.5 Partnership Expenses.

(a) Except as provided in this Agreement, in an Approved Related Party Agreement, or as otherwise Approved, none of any Partner, any Related Party of any Partner, or any partner, shareholder, officer, director, employee, agent, or representative of any Partner or Related Party of any Partner shall receive any salary or other compensation from the Partnership for services rendered pursuant to this Agreement or otherwise in connection with the Project. Each Partner shall be entitled to reimbursement of any expenses it pays on behalf of the Partnership to the extent such expenses are provided for in the Project Plan and Budget.

(b) Except as otherwise expressly provided in this Agreement, all Partners shall be solely responsible for paying all of their respective individual overhead costs.

(c) Managing General Partner shall receive an annual amount equal to \$60,000 per year, payable in equal quarterly installments (the "**Partnership Administration Fee**") in connection with providing its services as Managing General Partner required under this Agreement. Beginning on January 1, 2024, the then current Partnership Administration Fee shall be increased on January 1st of each calendar year by the lesser of 3% or the Consumer Price Index for the Los Angeles-Long Beach-Anaheim CA metropolitan area as measured by the United States Bureau of Labor Statistics, and shall be paid in advance of any debt service payments made by the Partnership in any year during the duration of the Partnership in accordance with Article IV hereof.

(d) The Partnership shall, upon receipt of an invoice for such, reimburse HACLA at the closing of the purchase of the Property for HACLA's reasonable, out of pocket legal fees and any closing fees accrued by HACLA for the HACLA Loan, which reimbursement shall not exceed \$50,000.00 in the aggregate.

(e) All payments to Partners pursuant to this Section 5.5 shall be considered to be guaranteed payments as defined in Section 707(c) of the Code.

5.6 Employees. Subject to Section 1.6, all persons engaged by any General Partner in connection with such General Partner's services hereunder shall be either such General Partner's employees or its agents or independent contractors and in any event shall not be employees of the

Partnership. Each Partner shall be solely responsible for the salaries of its employees and any employee benefits to which such employees may claim to be entitled. Each Partner shall indemnify and hold harmless the Partnership, the other Partners and any of their agents, officers, partners, members, employees, representatives, directors, shareholders, or the like from any loss, cost, expense, claim, or damage in connection with the failure or claimed failure of such Partner to fully comply with all applicable laws and regulations having to do with worker's compensation, social security, unemployment insurance, hours of labor, working conditions, wrongful discharge, employment discrimination, and other employer-employee related subjects with respect to such Partner's employees.

5.7 Other Business Activities of the Partners; Related Parties.

(a) Related Parties. For purposes of this Agreement, the term "**Related Party**" means with respect to any Person, (i) any Person who directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such Person, (ii) any Person who is a member of the immediate family of such Person, or (iii) any Person in which such Person or one or more members of the immediate family of such Person has a five percent (5%) or more beneficial interest (whether an initial, residual, or contingent interest) or as to which such Person serves as a trustee or general partner or in a similar fiduciary capacity. A Person shall be deemed to Control a Person if it or any member of the immediate family of such Person owns, directly or indirectly, at least five percent (5%) of the beneficial interest in such Person (whether an initial, residual, or contingent interest) or otherwise has the power to direct the management, operations, or business of such Person, whether through ownership of voting securities, by contract or otherwise. Notwithstanding anything to the contrary contained herein, Limited Partners, Administrative General Partner, and any direct or indirect owner of any Limited Partner or Administrative General Partner is not a Related Party of Managing General Partner.

(b) General Provisions. Every Limited Partner and all of the Limited Partner's and General Partner's Related Parties may engage in or possess any interest, directly or indirectly, in any other business venture of any nature or description independently or with others, including, but not limited to, the ownership, financing, leasing, operation, management, syndication, brokerage, or development of real property competitive with the Property. Being a Limited Partner in the Partnership and the assumption by any Limited Partner of any duties hereunder shall be without prejudice to any Limited Partner's rights (or the rights of its Related Parties or the General Partners' Related Parties) to have such other interests and activities and to receive and enjoy profits or compensation therefrom, and neither the Partnership nor the other Partners shall have any right by virtue of this Agreement in and to such ventures or the income or profits derived therefrom.

(c) Related Party Transactions. No Partner shall engage or pay any compensation to any Related Party of said Partner for the provision of services to the Partnership unless (i) the Partner discloses such engagement to the other Partners as a transaction with a Related Party of said Partner, (ii) such engagement complies with Section 1.6 and (iii) such engagement or payment is Approved. For purposes of this Agreement, any contract or agreement between the Partnership and a Related Party of a Partner, which is Approved, shall be referred to as an "**Approved Related Party Agreement.**" The Partners hereby acknowledge and agree that the HACLA Regulatory Agreement and HACLA Loan Documents shall each constitute an Approved Related Party Agreement.

ARTICLE VI
LIABILITIES OF PARTNERS; INDEMNIFICATION

6.1 Limitation of Liability of Limited Partner.

(a) No Limited Partner shall take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. Except as otherwise expressly provided in this Agreement, no Limited Partner shall have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. No Limited Partner shall have any power or authority with respect to the Partnership except insofar as the consent of any Limited Partner shall be expressly required (including without limitation for “Approval” to be obtained) and except as otherwise expressly provided in this Agreement. Nothing in this Section shall limit or restrict the rights of any Limited Partner set forth in this Agreement.

(b) The liability of any Limited Partner shall be limited to its capital contributions as and when payable under the provisions of this Agreement. No Limited Partner (i) shall have any liability to contribute or loan money to the Partnership (other than its capital contribution obligations explicitly set forth herein), (ii) shall have any liability with respect to the liabilities or obligations of the Partnership, and (iii) shall be personally liable for any obligations of the Partnership. No personal liability shall at any time be asserted or enforceable against any Limited Partner’s principals, partners, shareholders, officers, or employees or any of its Related Parties on account of this Agreement or on account of any covenant, undertaking, or agreement contained in this Agreement. Without limiting the foregoing, each other Partner acknowledges that the liability of any member, partner or shareholder of any Limited Partner is solely that of a member of a limited liability company, partner of a limited partnership, or shareholder of a corporation, and no personal or direct liability shall at any time be asserted or enforceable against any such member, its board of directors, any shareholder, member, or partner thereof, or any officer, employee, or agent of such member on account of or arising out of any obligations arising out of or related to this Agreement. Each other Partner further waives any claim against any member, partner or shareholder of any Limited Partner, irrespective of the compliance or noncompliance now or in the future with any requirements relating to the limitation of liability of a member of a limited liability company.

(c) Notwithstanding anything to the contrary contained herein, no Limited Partner shall have any fiduciary duty, responsibility, or obligation to the Partnership or to any Partner or any duty, implied or express, of loyalty, care, good faith, or fair dealing, in connection with any Approved Related Party Agreement, any Approval or election to exercise rights hereunder, or any determination or other action by any Limited Partner hereunder, all of which, shall be given, taken, or withheld in the sole and absolute discretion of such Limited Partner in the best interests of itself and any of its Related Parties and may be without regard to the best interests of the Partnership or any other Partner and its Related Parties or the financial, tax, or other effect on the Partnership or any other Partner.

(d) Nothing in this Section 6.1 shall in any way limit the liability of any Limited Partner to any other Partner for any claim, action, or damage said other Partner may have against

such Limited Partner in connection with (i) a default by such Limited Partner pursuant to this Agreement and (ii) any fraudulent action of such Limited Partner.

6.2 Exculpatory Provisions. None of the Partners, any Related Party of a Partner or any Partner's agents, officers, partners, members, commissioners, employees, representatives, directors, or shareholders, the partnership representative or the designated individual (each such party, an "**Partnership Indemnified Party**") shall be liable, responsible or accountable in damages or otherwise to the Partnership or any Partner for (a) any act performed in good faith within the scope of the authority conferred by this Agreement that does not constitute a breach of this Agreement, (b) any good faith failure or refusal to perform any acts except those required by the terms of this Agreement, or (c) any performance or omission to perform any acts based upon reasonable good faith reliance on the advice of accountants or legal counsel for the Partnership other than those that would constitute a breach of this Agreement; provided, however, that each Partnership Indemnified Party shall nevertheless be liable and shall not be entitled to indemnification in all events for its own fraud, misappropriation, negligence, willful misconduct, or breach of this Agreement. Notwithstanding the foregoing, no commissioner, officer, director, agent, or employee of the Managing General Partner or its Related Party, shall be personally liable under this Agreement in the event of any default or breach by the Managing General Partner, for any amount which may become due to the Partnership or its successors or assigns, or on any obligation under the terms of this Agreement.

6.3 Indemnification. To the fullest extent permitted by Law, provided that no indemnification shall be given with respect to acts or omissions that constitute fraud, misappropriation, negligence, willful misconduct, or breach of this Agreement, the Partnership shall indemnify, save harmless, defend and reimburse each Partnership Indemnified Party from any loss, cost, damage, claim, judgment, fine, liability, fee or expense (including legal fees and costs), incurred by reason of (a) such party's status as a Partner or a Related Party of a Partner or such party's status as agent, officer, partner, member, employee, representative, director, or shareholder of such Partner or Related Party, (b) any act performed, or omission to perform, in good faith within the scope of the authority conferred by this Agreement that does not constitute a breach of this Agreement, (and for avoidance of doubt, without limitation, any Approved action taken by the Partnership pursuant to Section 5.3(p) of this Agreement), (c) any good faith failure or refusal to perform any acts except those required by the terms of this Agreement, or (d) any performance or omission to perform any acts based upon reasonable good faith reliance on the advice of accountants or legal counsel for the Partnership other than those which would constitute a breach of this Agreement.

6.4 General Indemnity Provisions. Each indemnity provided for under this Agreement shall be subject to the following provisions:

(a) The indemnity shall cover the costs and expenses of the Partnership Indemnified Person, including reasonable attorneys' fees and court costs, related to any actions, suits, or judgments incident to any of the matters covered by such indemnity.

(b) The Partnership Indemnified Person shall notify the Partnership of any claim against the Partnership Indemnified Person covered by the indemnity within forty-five (45) days after the Partnership Indemnified Person has notice of such claim, but failure to notify the

Partnership shall in no case prejudice the rights of the Partnership Indemnified Person under this Agreement unless the Partnership shall be prejudiced by such failure and then only to the extent the Partnership shall be prejudiced by such failure. Should the Partnership fail to discharge or undertake to defend the Partnership Indemnified Person against such liability with counsel reasonably acceptable to the Partnership Indemnified Person within thirty (30) days of the Partnership's receipt of notice of the existence of the applicable claim (or such shorter period as is reasonably required under the then applicable circumstances in order to mitigate in material respect the exposure of the Partnership Indemnified Person with respect to the applicable claim), then the Partnership Indemnified Person may settle such liability. In such event, the liability of the Partnership hereunder shall be conclusively established by such settlement, which amount of such liability shall include both the settlement consideration and the reasonable costs and expenses, including attorneys' fees, incurred by the Partnership Indemnified Person in effecting such settlement.

(c) Payment of a claim shall not be a condition precedent to any indemnification provided in this Agreement.

(d) Any indemnification shall be subordinate to then current Permanent Loan obligations.

ARTICLE VII

TRANSFER OF COMPANY INTEREST

7.1 Transfer by the Partners.

(a) General Restrictions. Without first obtaining Approval, no General Partner shall, sell, assign, transfer, mortgage, charge, or otherwise encumber, or permit or suffer any other Person to sell, assign, transfer, mortgage, charge or otherwise encumber, or contract to do or permit any of the foregoing, directly or indirectly and whether voluntarily or by operation by law (collectively referred to as a "**Transfer**"), all or any part of its rights as a Partner hereunder, including without limitation, its (i) right to distributions as set forth in ARTICLE IV and (ii) rights of approval or rights to participate in the management of the business and affairs of the Partnership in accordance with the terms hereof (such Partner's "**Partnership Interest**"), except as provided in this ARTICLE VII. Any attempt to effect any of the foregoing prohibited actions shall be void and, in addition to other rights and remedies at law and in equity, the other Partners shall be entitled to injunctive relief enjoining the prohibited action. The Partners expressly acknowledge that damages at law would be an inadequate remedy for a breach or threatened breach of the provisions concerning Transfer set forth in this Agreement. The giving of consent or approval by a Partner required under this ARTICLE VII in any one or more instances shall not limit or waive the need for such consent or approval in any other or subsequent instances. Notwithstanding anything in this ARTICLE VII or this Agreement to the contrary, no Partner (including any Limited Partner) shall have the right to effect any Transfer of its Partnership Interest if the Transfer (i) in the opinion of counsel to the Partnership, may constitute a violation of any state or federal securities laws or other applicable Laws or (ii) is prohibited by any Authorized Financing. In addition, no transfer of any interest in the Partnership may be made to any person or entity if (i) in the opinion of legal counsel to the Partnership, it could result in the Partnership being treated as an association or publicly traded partnership taxable as a corporation, or (ii) such transfer is effected through an "established

securities market” or a “secondary market (or the substantial equivalent thereof)”, within the meaning of Section 7704 of the Code.

(b) Transfers in Partners. For purposes of this ARTICLE VII, Transfers of direct or indirect interests in Managing General Partner or a change in any Person managing General Partner by contract shall be deemed Transfers subject to the restrictions of this ARTICLE VII. Notwithstanding anything to the contrary contained in this Agreement but subject to the terms of the Loan Documents, the Partners shall not unreasonably withhold Approval of the transfer of the Managing General Partner’s interest to a new special purpose entity California limited liability company (the “**Substitute Managing General Partner**”) after the execution of this Agreement, provided that (i) any such Substitute Managing General Partner shall be and shall have no members and no managers other than the Managing General Partner, the Housing Authority of the City of Los Angeles, or an instrumentality that is wholly controlled by the Housing Authority of the City of Los Angeles, (ii) such Substitute Managing General Partner shall have obtained an Organizational Clearance Certificate, if required by the California State Board of Equalization (“**BOE**”), (iii) such Substitute Managing General Partner shall be able to serve as Managing General Partner for the purposes of obtaining and maintaining the Property Tax Exemption, (iv) such Substitute Managing General Partner shall agree to same terms and obligations as were agreed to by transferring Managing General Partner, and (v) any costs (including reasonable attorneys’ fees) incurred by the Partnership, Permanent Lender, HACLA, any Partner, and/or any guarantor of the Partnership in connection with admission of such Substitute Managing General Partner shall be the responsibility of the Managing General Partner and Managing General Partner shall reimburse any such party with respect to any such costs (collectively, “**MGP Substitution Costs**”).

(c) Conditions to Substitutions. An assignee or transferee of a Partner shall not be entitled to vote on Partnership matters and shall not have any other rights of a Partner other than its right to distributions and allocations, unless and until the assignee is admitted as a substituted Partner. An assignee or transferee shall become a substituted Partner when and if the assignee or transferee (i) pays all Partnership expenses incurred in connection with its substitution; (ii) submits a duly executed instrument of assignment and assumption, in a form reasonably satisfactory to the non-assigning Partners, specifying the Partnership Interest assigned to such assignee or transferee and setting forth the assigning Partner’s intention that the assignee succeed to such portion of the assigning Partner’s Partnership Interest and acknowledging that the assignor or transferor remains liable for its obligations; (iii) is approved by the Administrative General Partner; and (iv) executes a copy of this Agreement, an amendment to this Agreement, or a joinder to this Agreement (as may be subsequently amended). The admission of a substituted Partner shall be effective as of the close of the day on which all of the conditions specified in this Section 7.1(c) have been satisfied and from such date such substituted Partner shall have all rights and obligations of a Partner hereunder.

(d) Withdrawal by Partners. Notwithstanding any provision of the Act or the Loan Documents to the contrary, no Partner may resign, withdraw, or withdraw capital from the Partnership, except pursuant to a right expressly set forth herein; provided, however, that in no event may Managing General Partner resign, withdraw, or withdraw capital from the Partnership for so long as any obligation remains outstanding under the Permanent Loan; provided that, subject to the terms of the Loan Documents, the Managing General Partner may resign, withdraw, or withdraw capital from the Partnership (if any) if (i) any of the following occur: (A) the Administrative General Partner is in material breach of any of its obligations under this Agreement or the HACLA

Regulatory Agreement beyond any applicable notice and cure period, (B) the Administrative General Partner is in violation of Section 9.2(b) of this Agreement, or (C) the Managing General Partner is required to resign or withdraw from the Partnership pursuant to applicable law, and (ii) the Managing General Partner has provided at least sixty (60) days prior written notice to the Administrative General Partner of any such election of the Managing General Partner to withdraw or resign.

(e) Transfers by the Administrative General Partner and Limited Partners. No less than thirty (30) days prior to the date of any proposed Transfer by the Administrative General Partner or the Limited Partners, the transferring Partner shall submit the following information regarding the proposed transferee to the Managing General Partner in writing: (i) name, (ii) a summary of experience owning and operating multifamily properties with income and rent restrictions similar to the Project, (iii) copies of any organizational documents that the Managing General Partner may reasonably require, (iv) financial information on the transferee that the Managing General Partner may reasonably require, (v) a final assignment agreement, which shall include an assignment and assumption of the terms and conditions of this Agreement (and the other Loan Documents, if the Loans are being assumed by the transferee and not being paid off on or prior to such Transfer) with respect to periods from and after the effective date of such Transfer, executed by a person authorized to bind transferee, and (vi) such other information as may be reasonably requested by the Managing General Partner to evaluate such transferee. The transferring Partner shall not complete any Transfer without the prior written consent of the Managing General Partner with respect to the proposed transferee, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary contained herein, the Managing General Partner agrees that upon the occurrence of one or more of the triggering events listed in Exhibit C of this Agreement, UIG Workforce Housing Investor LLC may remove the managing member of Woodlake Holdings JV, LLC and replace it with an interim managing member of its sole and exclusive selection and decision (including UIG Workforce Housing Investor LLC or an affiliate thereof), so long as the ultimate and permanent replacement managing member shall be [(i) selected by UIG Workforce Housing Investor LLC within twelve (12) months from the date of removal; and (ii)] approved by the Managing General Partner, which approval will not be unreasonably withheld, conditioned or delayed. In such an event, HACLA shall continue to have the right to receive and review (but not consent to) the information described in Section 7.1(e)(i)-(vi) prior to any such removal and replacement with an interim managing member.

ARTICLE VIII REPORTING, RECORDS AND ACCOUNTING MATTERS

8.1 Fiscal Year and Taxable Year. Except as otherwise provided by the Code, the taxable year of the Partnership shall be the calendar year. The fiscal year of the Partnership shall be the same as its taxable year.

8.2 Partnership Funds. Subject to Section 1.6, no Partnership funds, assets, credit, or other resources of any kind or description shall be paid to, or used for the benefit of, any Partner or officer of the Partnership, except as specifically provided in this Agreement or after the Approval of the Partners has been obtained. All funds of the Partnership shall be deposited only in the accounts of the Partnership in the Partnership's name, shall not be commingled with funds

of any Partner or officer of the Partnership and shall be withdrawn only upon such signature or signatures as may be Approved, as applicable. Approved representatives of Administrative General Partner shall be signatories on the Partnership's bank accounts. Partnership funds shall be held in accounts at an Approved depository institution. The General Partners shall cause all cash funds received by the Partnership from any source to be deposited immediately upon receipt into accounts of the Partnership.

8.3 Maintenance of Records. Administrative General Partner shall maintain, or cause to be maintained, at the expense of the Partnership, in a manner customary and consistent with good accounting principles, practices, and procedures and the provisions of Exhibit B, a comprehensive system of office records, books, and accounts (which records, books, and accounts shall be and remain the property of the Partnership). Administrative General Partner, at the Partnership's expense, shall cause audits to be performed annually and audited statements and income tax returns to be prepared as required by this Agreement and as requested by Woodlake LP or required by the Loan Documents. The costs and expenses associated with each annual audit shall be a cost and expense of the Partnership. Such books and records of account shall be prepared and maintained by Administrative General Partner at the principal place of business of the Partnership or such other place or places as may from time to time be Approved. Each Partner or its duly authorized representative shall have the right to inspect, examine, and copy, and audit such books and records of account (and audit internal systems and procedures of Administrative General Partner) at the Partnership's office during reasonable business hours. Not more than once per year (or as may otherwise be required by the terms of the Act), Administrative General Partner shall promptly deliver to Limited Partners, at the Partnership's expense, a copy of this Agreement as in effect from time to time, and any amendments thereto and, upon request, shall so deliver any additional documents or information required by the Act or requested by a Limited Partner. Administrative General Partner shall provide Managing General Partner with a quarterly reporting package which shall include a rent roll, aged receivables and operating statements for the Partnership. The provisions of this Section 8.3 shall not limit Managing General Partner's record keeping obligations pursuant to Section 5.1(b).

8.4 Accountants and Tax Returns.

(a) For purposes of this Agreement, the term "**Accountants**" means the firm of independent certified public accountants Approved and engaged from time to time by the Partnership for purposes of reviewing or auditing the Partnership's financial statements or other information furnished by the General Partners with respect to the Property and performing such other duties as are imposed on such accountants by this Agreement. Selecting or terminating any Accountants shall require Approval. The initial Approved Accountants is the firm of Novogradac & Company LLP.

(b) Administrative General Partner shall assist and provide all documentation required by the Accountants in a timely manner to permit the Accountants to prepare drafts of all tax returns required of the Partnership for Approval so that drafts of all tax returns (including all schedules and exhibits thereto and upon request, copies of all supporting work papers), are submitted to Limited Partners, together with a request to any Limited Partner for its consent, within ninety (90) days following the end of each fiscal year. Administrative General Partner shall file or cause to be filed all such tax returns required of the Partnership which have been Approved.

Whether the Partnership uses a “proration method” or “interim closing of books method” for its annual tax returns shall be determined by Administrative General Partner as set forth in Section 5(e) of Exhibit B.

8.5 Taxation as a Partnership. It is the intent of the Partnership and its Partners that the Partnership be treated as a partnership for income tax purposes, the terms of this Agreement shall be construed so as to accomplish that goal, and General Partners will use their best efforts to cause the Partnership to be so treated.

ARTICLE IX **DISSOLUTION AND EVENTS OF DEFAULT**

9.1 Dissolution.

(a) Events Causing Dissolution. Subject to Section 1.6, the Partnership shall be dissolved and its affairs wound up upon the occurrence of any of the following events:

(i) the sale, exchange, or other disposition by the Partnership of all or substantially all of its assets; provided, however, (A) that if, in connection with such sale or other disposition, the Partnership receives securities, a promissory note, or other non-cash consideration for all or a part of the purchase price of such property, the Partnership shall not be dissolved until such securities or promissory note(s) or other non-cash consideration are satisfied, sold, or otherwise disposed of and (B) at the election of Administrative General Partner, the dissolution of the Partnership may be deferred until the expiration of any construction defect statute of limitations under applicable Laws or such earlier time determined by Administrative General Partner;

(ii) upon Approval of the Partners that the Partnership shall be dissolved; or

(iii) any other event causing the dissolution of the Partnership under the Act unless Woodlake LP within ninety (90) days after receiving notice of such event elects to continue the Partnership and designates a new General Partner, if necessary. The Partnership shall not be dissolved by the death, resignation, withdrawal, bankruptcy, or dissolution of a Partner. Notwithstanding any other provision of this Agreement, the Bankruptcy of a General Partner shall not cause such General Partner to cease to be a general partner of the Partnership and upon the occurrence of a Bankruptcy with respect to a General Partner, the Partnership shall continue without dissolution.

(b) Winding Up. If the Partnership is dissolved, then the Administrative General Partner shall proceed without any unnecessary delay to sell or otherwise liquidate all property of the Partnership. Any act or event (including the passage of time) causing a dissolution of the Partnership shall in no way affect the validity of, or shorten the term of, any lease, deed of trust, mortgage, contract or other obligation entered into by or on behalf of the Partnership.

(c) Application of Assets in Winding Up. In winding up the Partnership, after paying or making provision for payment of all of its third-party liabilities and paying all other costs and expenses incurred in connection with winding up and terminating the Partnership, the

Administrative General Partner shall distribute the remaining net proceeds and liquid assets among the Partners pursuant to Section 4.4.

(d) Termination. The Partnership shall terminate, except for the purpose of suits, other proceedings, and appropriate action as provided in the Act, when all of its property shall have been disposed of and the net proceeds and liquid assets, after satisfaction of liabilities to Partnership creditors, including the HACLA Loan, shall have been distributed among the Partners. As soon as practicable after the termination of the Partnership, the Administrative General Partner shall cause a certificate of cancellation to be filed with the Delaware Secretary of State. The Administrative General Partner shall have authority to distribute any Partnership property discovered after dissolution, convey real estate, and take such other action as may be necessary on behalf of and in the name of the Partnership.

9.2 Events of Default. There will be an “**Event of Default**” under this Agreement with respect to any Partner if any event or circumstance shall transpire or exist with respect to such Partner and such event or circumstance is designated as an Event of Default under this Agreement or any one or more of the following events or circumstances shall transpire or exist with respect to that Partner or a Related Party of such Partner, as applicable, and shall not be cured within any applicable period of notice and grace specified below:

(a) Breach of Obligations. If a Partner is in breach of any obligation under this Agreement and such default or breach is not corrected within thirty (30) days after written notice thereof identifying the default with specificity from another Partner; provided that if such default is non-monetary in nature and is not susceptible of cure within such thirty (30) day period, if the defaulting Partner initiates such cure and diligently prosecutes such cure to completion, such grace period shall be extended for such time (not to exceed ninety (90) days) as is reasonably necessary to allow such defaulting Partner to effect such cure; provided further that if such default or breach is willful, flagrant, and material and not susceptible of cure, then no notice or grace period shall be required and such breach or default shall immediately constitute an Event of Default.

(b) Fraud, Negligence or Willful Misconduct. If a Partner or a Related Party of such Partner shall commit an act involving fraud, malfeasance, misappropriation of Partnership funds, willful misconduct, intentional waste, or gross negligence in connection with any of its obligations hereunder and/or under the HACLA Regulatory Agreement, provided that the occurrence of any of the foregoing by any member, partner, shareholder, officer, director, employee, agent, or representative of any Partner or Related Party of any Partner without the involvement or knowledge of such Partner or any other principal executive officer of such Partner will not constitute an Event of Default if such Partner indemnifies the Partnership in connection with any such actions as set forth in Section 6.3 of this Agreement and within a reasonably prompt period (as permitted by contractual obligations and legal requirements) terminates the individual or individuals responsible for such actions or otherwise removes such individual or individuals from any direct or indirect participation in any Partnership matters.

(c) Prohibited Transfer. Any Transfer by a Partner or with respect to a Partner in violation of the provisions of ARTICLE VII.

(d) Bankruptcy. If a Partner shall (i) initiate proceedings of any nature under the federal Bankruptcy Code, or any amendment or successor thereto, (the “Bankruptcy Code”) or any similar state or federal law for the relief of debtors, (ii) make a general assignment for the benefit of creditors, (iii) have initiated against it a proceeding under any section or chapter of the Bankruptcy Code, or any similar federal or state law for the relief of debtors, which proceeding is not dismissed or discharged within a period of sixty (60) days after the filing thereof, (iv) admit in writing its inability to pay its debts as they mature or to perform its obligations under this Agreement, (v) be the subject of an attachment or execution or other judicial seizure of all or any substantial part of said Partner’s assets or of its Partnership Interest or any part thereof, which remains undismissed or undischarged for a period of sixty (60) days after levy thereof, or (vi) consent to the appointment of a receiver or have a receiver appointed to manage it or any substantial part of its assets or of its Partnership Interest or any part thereof, which receivership remains in place for a period of at least sixty (60) days (any such event, a “Bankruptcy”). The defined term “Bankruptcy” herein is intended to replace and shall supersede and replace the events set forth in Section 17-402(a)(4) of the Act.

9.3 Remedies. Upon an Event of Default by any Partner, the other Partners shall have, in addition to any other rights set forth in this Agreement, all of their respective rights at law and in equity.

ARTICLE X

REPLACEMENT OF MANAGING GENERAL PARTNER

(a) Subject to Section 1.6, Administrative General Partner (after receiving direction to do so from Woodlake LP or Woodlake LP’s consent) shall have the right to remove Managing General Partner as a Partner by providing notice of such removal to Managing General Partner, but solely upon (a) a sale of all or substantially all of the Existing Residential Buildings Parcel in fee or the sale of equity interests, in each case, to a Person other than a Related Party of the Administrative General Partner, and (b) an Event of Default with respect to the Managing General Partner, and/or (c) subject to Section 5.1(b)(iv) of this Agreement, at any time that the Property Tax Exemption under the Property Tax Rules is not in effect. From and after the date of such removal as provided for in this paragraph, Managing General Partner shall have no rights or authority with respect to the Partnership and shall have no right to distributions, the payment of any fees or other amounts or other benefits from the Partnership (including the Partnership Administration Fee). From and after the date of such removal, which removal occurs at a time when no Event of Default is in effect with respect to Managing General Partner and the Property Tax Exemption under the Property Tax Rules is in effect, Managing General Partner shall still have the right to receive distributions under Section 4.2 and Section 4.3 but shall have no other rights or authority with respect to the Partnership (including without limitation the right to consent to the admission of new Partners or any other Major Decisions). Notwithstanding anything else contained in this Agreement, the sole method of terminating the General Partner is set forth in this paragraph.

MANAGING GENERAL PARTNER ACKNOWLEDGES THAT THE PROVISIONS OF THIS ARTICLE X ARE REASONABLE UNDER THE CIRCUMSTANCES THAT EXIST AS OF THE DATE OF THIS AGREEMENT.

Managing General Partner's Initials

ARTICLE XI
CERTAIN ADDITIONAL PROVISIONS RELATING
TO THE MANAGING GENERAL PARTNER

11.1 Covenants.

(a) Notice of Bankruptcy. Managing General Partner shall notify the other Partners immediately upon the occurrence of a Bankruptcy pursuant to Section 9.2(d) of this Agreement with respect to itself.

(b) Additional Representations and Warranties of Managing General Partner. The Managing General Partner represents to the other Partners as of the date hereof:

(i) It is validly existing and qualified to transact business and is in good standing in the state in which it is organized and in each other jurisdiction in which such qualification and/or standing is necessary to the conduct of its business;

(ii) It is not currently:

(A) the subject of or a party to any completed or pending bankruptcy, reorganization, including any receivership, or other insolvency proceeding;

(B) preparing or intending to be the subject of a Bankruptcy (as defined above);

(C) the subject of any judgment unsatisfied of record or docketed in any court; or

(D) Insolvent (as defined in the Permanent Loan Agreement);

(iii) The organizational documents, including, without limitation, all certificates, instruments, other documents and any amendments thereto pursuant to which the Managing General Partner is organized, operates or is governed, and any other document that affects the control of, or the ability to oversee the management and day-to-day operations of the Managing General Partner (collectively, the "**Organizational Documents**") of the Managing General Partner provided to the other Partners as of the date hereof are true, correct and complete; and

(iv) It is not in violation of any applicable civil or criminal laws or regulations, including those requiring internal controls, intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property (as defined in the Permanent Loan Agreement) is located or where the Managing General Partner resides, is domiciled, or has its principal place of business, and the Managing General Partner is not a Person (as defined in the Permanent Loan Agreement):

(A) against whom proceedings are pending for any alleged violation of any such laws;

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions (as defined in the Permanent Loan Agreement) pursuant to, or had any of its property seized or forfeited under, any such laws; or

(C) with whom any United States Person (as defined in the Permanent Loan Agreement), any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is a Sanctioned Person (as defined in the Permanent Loan Agreement) or is otherwise prohibited from transacting business of the type contemplated by the Permanent Loan Agreement and the other Permanent Loan Documents under any other applicable law.

(c) Additional Covenants of Managing General Partner.

(i) The Managing General Partner shall maintain its existence, its entity status, franchises, rights, and privileges under the laws of the state of its formation or incorporation (as applicable);

(ii) The Managing General Partner shall not dissolve or liquidate for any reason (whether voluntary or involuntary);

(iii) Promptly upon request of any other Partner, the Managing General Partner shall deliver true, correct and complete copies of its then-current Organizational Documents;

(iv) The Managing General Partner shall remain in compliance with any applicable civil or criminal laws or regulations (including those requiring internal controls) intended to prohibit, prevent, or regulate money laundering, drug trafficking, terrorism, or corruption, of the United States and the jurisdiction where the Mortgaged Property is located or where the Managing General Partner is domiciled, is registered as a foreign entity, or has its principal place of business, and at no time shall Managing General Partner be a Person (as defined in the Permanent Loan Agreement):

(A) against whom proceedings are pending for any alleged violation of any such laws;

(B) that has been convicted of any violation of, has been subject to civil penalties or Economic Sanctions (as defined in the Permanent Loan Agreement) pursuant to, or had any of its property seized or forfeited under, any such laws; or

(C) with whom any United States Person (as defined in the Permanent Loan Agreement), any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is a Sanctioned Person (as defined in the Permanent Loan Agreement) or is otherwise prohibited from transacting business of the type contemplated by the Permanent Loan Agreement and the other Permanent Loan Documents under any other applicable law; and

(v) The Managing General Partner shall give the other Partners prompt written notice of any name change or entity conversion with respect to the Managing General Partner.

ARTICLE XII
MISCELLANEOUS

12.1 Notices. Any and all notices, demands, consents, approvals, offers, elections and other communications required or permitted under this Agreement (collectively, “**Notices**”) shall be deemed to have been properly given (i) upon delivery, if delivered in person, by facsimile transmission, or electronic mail with receipt acknowledged by the recipient thereof and confirmed by telephone by sender (if sent by facsimile) or upon transmission to the email address of the recipient without notice of failure to deliver or rejection (if sent by electronic mail), (ii) one (1) Business Day (defined below) after having been deposited for overnight delivery with any reputable overnight courier service with all freight charges prepaid, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, except that whenever under this Agreement a Notice is either received on a day that is not a Business Day or is required to be delivered on or before a specific day that is not a Business Day, the day of receipt or required delivery shall automatically be extended to the next Business Day; provided further that the refusal by a party to receive delivery of any Notice shall be deemed such party’s receipt of the same.

All such Notices shall be addressed:

If to Administrative General Partner or Woodlake LP, to:

[_____]]
[_____]]
[_____]]
Attention: [_____]]

Email: [_____]]

with a copy (that will not constitute notice) to:

[_____]
[_____]
[_____]
Attention: [_____]
Email: [_____]

If to Managing General Partner:

La Cienega LOMOD, Inc.
2600 Wilshire Blvd.,
Los Angeles, California 90057
Attention: Tina Smith-Booth, President

By Notice given as herein provided, the parties hereto and their respective successors and assigns shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses effective upon receipt by the other parties of such Notice and each shall have the right to specify as its address any other address within the United States of America.

12.2 Amendments. Subject to Section 1.6, this Agreement may be amended only if such amendment is Approved. The Partners shall execute any such Approved amendment in order to evidence same.

12.3 Interpretation; Business Days.

(a) The table of contents and titles of the Articles and Sections in this Agreement are for convenience only and shall not be considered in construing this Agreement.

(b) Pronouns used with reference to the Partners shall be construed to refer to the feminine, neuter, singular and plural as the identity of the individual or entity referred to may require.

(c) This Agreement constitutes the entire agreement among the Partners and supersedes any prior written or oral agreements with respect to the subject matter of this Agreement.

(d) No provision of this Agreement (including any obligation of any Partner to make contributions) shall be interpreted as bestowing any rights whatsoever upon any third party. A cross-reference to another section shall be deemed to be to such section of this Agreement, unless explicitly stated otherwise.

(e) The terms "include", "includes" and "including" as used in this Agreement shall be deemed to be followed by the phrase "without limitation."

(f) For purpose of this Agreement, "Business Day" means each Monday, Tuesday, Wednesday, Thursday, and Friday that is not a day on which banking institutions in the State of California are authorized or obligated by law or executive order to close.

12.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument.

12.5 No Partition; Nature of Interest. No Partner nor any legal successor of a Partner shall have the right to partition the Partnership or any Property or any part thereof or interest therein, or to file a complaint or institute any proceeding at law or in equity to partition the Partnership or any Property or any part thereof or interest therein. Each Partner, for such Partner and such Partner's legal successor, hereby waives, to the fullest extent permitted by law, any such rights. No Partner shall have any interest in any specific assets of the Partnership, and no Partner shall have the status of a creditor with respect to any distributions of Distributable Cash pursuant to Section 4.2 hereof. The interest of each Partner in the Partnership is personal property. The Partners intend that, during the term of this Agreement, the rights of the Partners and their successors in interest, as among themselves, shall be governed solely by the terms of this Agreement and by the Act.

12.6 Severability. If any provision of this Agreement is determined to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, to achieve the intent of the parties. In any event, all other provisions shall be deemed valid and enforceable to the greatest possible extent.

12.7 Binding on Successors. Subject to the provisions of ARTICLE VII, the rights and obligations of the Partners under this Agreement shall inure to the benefit of and bind their respective successors and assigns.

12.8 Confidentiality. All parties agree to maintain the confidentiality of the terms and conditions of this Agreement and to maintain the confidentiality of (a) any information provided by one party to the others and (b) all information contained in any Partnership books, records, computer discs, and similar materials containing Partnership information, invoices, and other documents received or maintained by the Partnership pursuant to this Agreement, other than information that is available from public sources. Any party may, however, disclose any of such information to its agents, directors, officers, employees, advisors, attorneys, a Related Party, or representatives who require such information for the purpose of performing or assisting in the performance of its obligations or services hereunder, and to investors or lenders or proposed investors or lenders, provided that in all such cases such parties shall be informed of the confidential nature of such information. Any party hereto may also disclose any such information (a) to the extent required by law or court order, including the California Public Records Act ("CPRA"), provided that such party shall have first, to the extent reasonably practicable, advised the other of the requirement to disclose such information and shall have afforded the other an opportunity to dispute such requirement and seek relief therefrom by legal process, including pursuant to the CPRA requirements, (b) in connection with any suit, action, arbitration, or other proceedings between or among the parties hereto or their respective Related Parties, or (c) to the extent required in connection with the preparation or filing of any tax returns or other filings required by any applicable Law.

12.9 Representations and Warranties.

(a) Each Partner represents to the other Partners as of the date hereof:

(i) Such Partner is a validly existing entity under the laws of the state of its incorporation or formation, with full power and authority and legal right to be a Partner of the Partnership and to carry on its business in the manner and in the locations in which such business has been and is now being conducted by it, to execute and deliver this Agreement, and to perform its obligations hereunder.

(ii) No consent of any third party is required as a condition to the entering into of this Agreement by such Partner other than such consent as has been previously obtained.

(iii) The execution and delivery of this Agreement has been duly authorized and executed by such Partner and this Agreement constitutes the valid and binding obligation and agreement of such Partner, enforceable in accordance with its terms (subject to the effect of bankruptcy, insolvency or creditor's rights generally, and to limitations imposed by general principles of equity).

(iv) Neither the execution and delivery of this Agreement, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property or assets of such Partner pursuant to the terms of any indenture, mortgage, deed of trust, note, evidence of indebtedness, agreement, or other instrument to which such Partner may be party or by which it or any of its properties or assets may be bound, or violate any provision of law, or any applicable order, writ, injunction, judgment, or decree of any court, or any order or other public regulation of any governmental commission, bureau, or administrative agency.

(v) No order, permission, consent, approval, license, authorization, registration or validation of, or filing with, or exemption by, any governmental agency, commission, board, or public authority is required to authorize, or is required in connection with the execution, delivery, and performance by such Partner of this Agreement or the taking of any action thereby contemplated, that has not been already obtained, other than any such order, permission, consent, approval, license, authorization, registration, or validation of, or filing with, or exemption by, any governmental agency, commission, board, or public authority required in connection with the ordinary course of operations of the Partnership.

(b) The representations and warranties set forth in this Agreement shall survive the admission of the Partners as partners in the Partnership.

12.10 Brokerage Commissions. Each of the Partners represents and warrants to the other Partners that it has not dealt with any broker, investment banker, consultant, or other third party in connection with the negotiation of this Agreement or the transactions contemplated herein. Each of the Partners agrees to indemnify, defend, and hold the other Partners harmless from and against any liability, claim, damage, cost, or expense (including reasonable attorneys' fees) arising out of or in connection with any misrepresentation under this Section 12.10. In addition, no brokerage

fees or commissions shall be payable by the Partnership or the Partners in connection with any purchase by any Partner or its designee of the Property or the other Partners' Interests pursuant to this Agreement and each Partner shall indemnify and hold harmless the Partnership and the other Partners from and against any such claims for brokerage fees or commissions made based upon the actions of such Partner, including any fees and expenses in defending any such claims.

12.11 Partner Estoppel Certificates. Upon the written request of a Partner or any lender to such Partner, the other Partners shall, within fifteen (15) days of its receipt of such request, execute and deliver a written statement certifying: (i) that this Agreement is unmodified and in full force and effect (or, if modified, that this Agreement is in full force and effect as modified, and stating any and all modifications), (ii) that such Partner is not in default hereunder and, to its actual knowledge, the requesting Partner is not in default hereunder, in each case except as specified in such statement, and (iii) that to its actual knowledge, no event has occurred which with the passage of time or the giving of notice, or both, would ripen into a default hereunder, except as specified in such statement. Such written statement may be relied upon by a Partner's prospective purchasers, investors or lenders.

12.12 Time is of the Essence. Time is of the essence with respect to all time or notice deadlines set forth herein, however, this provision shall not affect the rights of any defaulting party hereunder to cure such default within the time periods (if any) explicitly set forth herein, if and as so permitted pursuant to the terms of this Agreement.

12.13 Construction. The Partners acknowledge that each Partner and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendment or Exhibit thereof.

12.14 Captions Not Binding; Exhibits. The captions in this Agreement are inserted for reference only and in no way define, describe, or limit the scope or intent of this Agreement or of any of the provisions thereof. All Exhibits attached hereto are incorporated by reference as if set out herein in full.

12.15 Waiver. No waiver by any party hereto of any failure or refusal by any other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

12.16 Right to Specific Performance. The failure or refusal by a Partner to comply with any or all of the provisions of this Agreement, subject to any applicable notice and cure period as set forth in Section 9.2(a), shall entitle any other Partner to specific performance of the terms, covenants and conditions of this Agreement or any part hereof in addition to any and all other remedies available to such Partner at law or in equity.

12.17 Dispute Resolution; Choice of Forum; Governing Law.

(a) If a dispute arises out of or relates to this Agreement, or the breach thereof, between the Partners and if the dispute cannot be settled through negotiation within ten (10) days of commencement of the dispute, the Partners agree first to attempt in good faith to settle the dispute by mediation administered in accordance with the California rules and law by a mutually

agreeable certified mediator (“**Mediation Proceeding**”) before resorting to litigation, or some other dispute resolution procedure. Such mediator shall be selected from a panel of former or retired judges of the Superior Court of the State of California or any higher court in the State of California who are sophisticated and knowledgeable in affordable multifamily residential housing, including litigation or dispute resolution experience regarding the foregoing. The selection of the mediator shall be made by mutual agreement of the parties, or if no agreement is timely reached, by submission to the American Arbitration Association (the “**AAA**”). The party initiating the Mediation Proceeding shall be responsible for all reasonable costs associated with the Mediation Proceeding, including any fee of the mediator (“**Mediation Costs**”).

(b) In the event any such dispute is not resolved pursuant to a Mediation Proceeding, then the Partners may bring a suit for award of monetary damages or equitable relief for any violation of the terms of this Agreement or any other reason, provided that the unsuccessful party to such litigation covenants and agrees to pay the successful party all costs and expenses reasonably incurred, including without limitation reasonable attorneys’ fees. For the purpose of this Agreement, the term “**attorneys’ fees**” shall mean the fees and expenses of counsel to the parties hereto, which may include printing, photostating, duplicating, and other expenses, air freight charges, and fees billed for law clerks, paralegals, librarians, and others not admitted to the bar but performing services under the supervision of an attorney. Such term shall also include all such fees and expenses incurred with respect to appeals, reference out, and bankruptcy proceedings, and whether or not any action or proceeding is brought with respect to the matter for which said fees and expenses were incurred. Notwithstanding anything to the contrary in this Agreement, the prevailing party in any such litigation or proceeding shall not be entitled to recover any attorneys’ fees and/or expenses from the Managing General Partner.

(c) ALL JUDICIAL PROCEEDINGS WITH RESPECT TO THIS AGREEMENT SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION HAVING SITUS IN LOS ANGELES COUNTY, CALIFORNIA, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY ACCEPTS, FOR ITSELF, SUCH JURISDICTION.

(d) The provisions of Section 12.17(a) and (b) shall in no way limit the right of any Partner to exercise self-help remedies or to obtain provisional, ancillary, or equitable remedies (including, without limitation, temporary restraining orders or preliminary or permanent injunctions) from a court of competent jurisdiction before, after, or during the pendency of any Mediation Proceeding. The exercise of such remedy shall not waive the right of any Partner to resort to an Mediation Proceeding.

(e) The laws of the State of Delaware, including, without limitation, the Act, shall govern the organization and internal affairs of the Partnership and the liability of the Partners. Nevertheless, to the extent that reference need be made to the law of any state to enforce the decision made by any legal proceeding brought pursuant to Section 12.17(b) or (d), or to apply or interpret the procedural rules applicable to any legal proceeding brought pursuant to Section 12.17(b) or (d), the internal laws of the State of California (without reference to the rules regarding conflict or choice of laws of such State) shall be utilized for such purpose.

12.18 Liability of the Partners. Notwithstanding anything to the contrary set forth in this Agreement or any related agreements between the parties, written or oral, the liability of any Partner to the other Partners or to the Partnership or to any third person, in all instances hereunder (excluding payment of MGP Substitution Costs and/or Mediation Costs, as may be applicable), shall be limited solely to the interest of the Partner in the Partnership, including any interest the Partner may now have or in the future may have or any right to payment (now or in the future) of any fees, distributions, or other items of compensation under this Agreement or any related agreements. The liability of the Partners hereunder is non-recourse and shall not, in any event, extend to or be enforceable against, any other assets of the Partners or a Related Party or personally to any officers, directors, commissioners, employees, or representatives of the Partners or a Related Party.

12.19 Right of First Refusal.

(a) Offered Interests. During the thirty-six (36) month period following the Effective Date, in the event that the Partnership receives a bona fide letter of intent or offer letter from an independent third party with terms and conditions that Administrative General Partner is willing to accept (the “**Third Party LOI**”) to sell the fee interest in the Existing Residential Buildings Parcel (the “**Fee Interest**”), then the Managing General Partner shall have a right of first refusal to purchase such Fee Interest on the same terms and conditions as set forth in the Third Party LOI (the “**ROFR Right**”). Notwithstanding anything to the contrary herein, for the avoidance of doubt, Managing General Partner shall have no ROFR Right with respect to any sale or transfer of the fee interest in the Potential Development Parcel.

(b) Notice. The Partnership shall give written notice (the “**Offering Notice**”) to the Managing General Partner, specifying the terms and conditions of the Third Party LOI, including the purchase price and closing timeline, and the Managing General Partner shall have ten (10) business days thereafter to notify the Partnership in writing of its election to purchase the Fee Interest on the same terms and conditions (the “**ROFR Election Notice**”).

(c) Closing. If the Managing General Partner delivers the ROFR Election Notice, it shall close on the Fee Interest pursuant to the terms set forth in the Offering Notice. If the Managing General Partner does not deliver a ROFR Election Notice, its right to exercise the ROFR Right shall be deemed to have been waived, and the Partnership shall thereafter, subject to Section 7.1, and the terms of the Regulatory Agreement, be free to market the Existing Residential Buildings Parcel and Transfer the Fee Interest to any independent third party on terms and conditions materially similar to those set forth in the Offering Notice.

12.20 Hold Period. The Partnership shall hold the Existing Residential Buildings Parcel for a period of ten (10) years from execution of this Agreement (the “**Hold Period**”), provided that, notwithstanding the foregoing but subject to the following sentence, the Partnership may elect to transfer or sell the Existing Residential Development Parcel at any time, separately or together with the Potential Development Parcel. If the Partnership elects to transfer or sell the Existing Residential Buildings Parcel prior to [December [___], 2027]² (the “**Sale Restriction Period**”), it shall pay an early termination fee to the Managing General Partner equal

² Date will be 5 years from the date of execution of this agreement.

to one hundred twenty percent (120%) of the sum of the amount of the Partnership Administration Fee that would have been paid to the Managing General Partner from the date of such sale through the expiration of the Sale Restriction Period if the Existing Residential Buildings Parcel had not been sold. This Section 12.20 shall not restrict the right of the Partnership to sell the Potential Department Parcel at any time in accordance with this Agreement.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, each of the parties has executed this Agreement as of the date first written above.

Limited Partner:

Woodlake Property Limited Partner, LLC,
a Delaware limited liability company

By: _____
Name:

Title:

Administrative General Partner:

Woodlake Property AGP, LLC,
a Delaware limited liability company

By: Woodlake Holdings JV, LLC,
a Delaware corporation,
its sole member

By: _____
Name:
Title:

Managing General Partner:

La Cienega LOMOD, Inc.
a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

Exhibit A-1

Description of Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 1, OF TRACT 23773, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 754, PAGES 14 AND 15 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL OIL, MINERAL, GAS AND HYDROCARBON SUBSTANCES BELOW A DEPTH OF 500 FEET OR MORE UNDER THE HEREINABOVE DESCRIBED REAL PROPERTY, WITHOUT THE RIGHT OF SURFACE ENTRY. (SAID RIGHTS BEING RESERVED BY BENEFICIAL STANDARD PROPERTIES, INC., A CALIFORNIA CORPORATION, PURSUANT TO THE DEED WHEREBY BENEFICIAL STANDARD PROPERTIES, INC., CONVEYED THE HEREINABOVE DESCRIBED REAL PROPERTY TO BENEFICIAL STANDARD LIFE INSURANCE COMPANY), BY DEED RECORDED DECEMBER 30, 1982 AS INSTRUMENT NO. 1982-1313597 OFFICIAL RECORDS.

APN : 5046-034-011, 5046-034-012 and 5046-034-013

Exhibit B

Tax Addendum

1. Capital Accounts.

(a) A separate capital account will be maintained for each Partner (a “**Capital Account**”). Such Partner’s Capital Account will from time to time be (i) increased by (A) the amount of money and the Gross Asset Value of any property contributed (or deemed contributed) by the Partner to the Partnership (net of liabilities secured by the property or to which the property is subject), and (B) the Net Income and any other items of income and gain allocated to the Partners under Paragraph 2 and specially allocated to the Partner under Paragraph 4, and (ii) decreased by (A) the amount of money and the Gross Asset Value of any property distributed to the Partner by the Partnership (net of liabilities secured by the property or to which the property is subject), and (B) the Net Losses and any other items of deduction and loss allocated to the Partners under Paragraph 2 and specially allocated to the Partner under Paragraph 4.

(b) In the event that assets of the Partnership other than money are distributed to a Partner in liquidation of the Partnership, or in the event that assets of the Partnership other than money are distributed to a Partner in kind, in order to reflect unrealized gain or loss, the Capital Accounts of the Partners will be adjusted for the hypothetical “book” gain or loss that would have been realized by the Partnership if the distributed assets had been sold for their Gross Asset Values in a cash sale. In the event of the liquidation of a Partner’s interest in the Partnership, in order to reflect unrealized gain or loss, the Capital Accounts of the Partners will be adjusted for the hypothetical “book” gain or loss that would have been realized by the Partnership if all Partnership assets had been sold for their Gross Asset Values in a cash sale.

2. General Allocation of Net Income and Net Losses.

(a) After giving effect to the special allocations set forth in Paragraph 4, the Net Income and Net Losses of the Partnership for each Fiscal Year or other relevant period will be allocated to each Partner in such manner as to cause the balance in the Partner’s Adjusted Capital Account, immediately after making all of the allocations required for the relevant Fiscal Year, to equal (as nearly as possible) the distributions that would be made to the Partner if the Partnership were dissolved, its affairs wound up and its assets sold for cash equal to their respective Gross Asset Values, all Partnership liabilities were satisfied (limited with respect to each nonrecourse liability to the Gross Asset Value of the assets securing the liability), and the net assets of the Partnership were distributed to the Partners in accordance with the terms of this Agreement immediately after making the allocation.

(b) Notwithstanding any provision to the contrary in this Agreement, regardless of whether a Partner has a negative balance in its Capital Account upon liquidation of the Partnership (or upon liquidation of its interest in the Partnership), no Partner shall be obligated to contribute the amount of such negative balance in cash to the Partnership for distribution to those Partners with positive Capital Account balances and/or creditors of the Partnership.

3. **Intentionally Deleted.**

4. **Special Allocations.** The following special allocations will be made in the following order:

(a) **Regulatory Allocations.** Allocations of individual items of income and gain will be made in accordance with the “minimum gain chargeback,” “partner nonrecourse debt minimum gain chargeback” and “qualified income offset” provisions of the Regulations promulgated under Section 704 of the Code.

(b) **Nonrecourse Deductions.** Any Nonrecourse Deductions will be allocated to the Partners in accordance with their Residual Percentages.

(c) **Partner Nonrecourse Deductions.** Any Partner Nonrecourse Deductions will be allocated to the Partner that bears the Economic Risk of Loss for the member nonrecourse debt to which such deductions relate as provided in Section 1.704-2(i)(1) of the Regulations.

(d) **Intentionally Deleted.**

(e) **Liquidating Allocations.** The distribution and allocation provisions of ARTICLE IV and this **Exhibit B** should result in distributions to each Partner upon liquidation of the Partnership being in accordance with each such Partner’s positive Capital Accounts, as provided by the United States Treasury Regulations under Code Section 704(b). However, if upon liquidation of the Partnership, the Capital Accounts of the Partners are in such ratios or balances that distributions under ARTICLE IV would not be in accordance with the positive Capital Accounts of the Partners as required by the Regulations under Code Section 704(b), such failure shall not affect or alter the distributions required under ARTICLE IV. Rather, Administrative General Partner, after obtaining Approval, will have the authority to make other allocations of Net Income and Net Losses, or items of income and gross income, gain, loss, or deduction, among the Partners (including allocations in prior years, if necessary, and the amendment of tax returns to reflect the same) which, to the extent possible, will result in the Capital Accounts of each Partner having a balance prior to distribution equal to the amount of distributions to be received by such Partner under ARTICLE IV.

5. **Allocation of Certain Tax Items.**

(a) Except as otherwise provided in this Paragraph 5, all items of income, gain, loss or deduction for federal, state and local income tax purposes will be allocated in the same manner as the corresponding “book” items are allocated under Paragraph 2 (as a component of Net Income or Net Losses), or Paragraph 4.

(b) In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership will, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and the initial Gross Asset Value thereof (computed in accordance with subparagraph (i) of the definition of the term Gross Asset Value below).

(c) In the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraph (ii) or (iv) of the definition of the term Gross Asset Value, subsequent allocations of income, gain, loss, and deduction with respect to such asset will take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

(d) In the event the Partnership has in effect an election under Section 754 of the Code, allocations of income, gain, loss, or deduction to affected Partners for federal, state and local tax purposes will take into account the effect of such election pursuant to applicable provisions of the Code.

(e) Except as set forth in (f), any elections or other decisions relating to such allocations or any other tax and accounting matters will be made reasonably and in good faith by Administrative General Partner, provided that any items of loss or deduction attributable to property contributed by a Partner shall, to the extent of an amount equal to the excess of (A) the federal income tax basis of such property at the time of its contribution over (B) the Gross Asset Value of such property at such time, be allocated in its entirety to such contributing Partner and the tax basis of such property for purposes of computing the amounts of all items allocated to any other Partner (including a transferee of the contributing Partner) shall be equal to its Gross Asset Value upon its contribution to the Partnership.

(f) Administrative General Partner shall determine, in its sole and absolute discretion, if and when the Partnership will make an election under Section 754 of the Code.

6. **Allocation Between Assignor and Assignee.** The portion of the income, gain, losses, credits, and deductions of the Partnership for any Fiscal Year during which an interest in the Partnership is assigned by a Partner (or by an assignee or successor in interest to a Partner), that is allocable with respect to such Partnership Interest will be apportioned between the assignor and the assignee of the Partnership Interest on whatever reasonable, consistently applied basis is selected by the Administrative General Partner and permitted by the applicable Regulations under Section 706 of the Code.

7. **Tax Reporting.** The Partners are aware of the income tax consequences of the allocations made by this Exhibit B and hereby agree to be bound by the provisions of this Exhibit B in reporting their shares of Partnership income and loss for income tax purposes.

8. **Profit Shares.** Solely for purposes of determining a Partner's proportionate share of the Partnership's "excess nonrecourse liabilities," as defined in Regulations Section 1.752-3(a), the Partners' interests in Partnership profits will be as reasonably determined by the Administrative General Partner.

9. **Withholding Taxes with Respect to Partners.** The Partnership shall comply with any withholding requirements under federal, state, and local law and shall remit any amounts withheld to, and file required forms with, the applicable jurisdictions. All amounts withheld from Partnership revenues or distributions by or for the Partnership pursuant to the Code or any provision of any state or local law, and any taxes, fees, or assessments levied upon the Partnership, shall be treated for purposes of this Exhibit B as having been distributed to those Partners whose

identity or status caused the withholding obligations, taxes, fees, or assessments to be incurred. If the amount withheld was not withheld from the affected Partner's actual share of Distributable Cash or Capital Events Proceeds, Administrative General Partner on behalf of the Partnership may, after obtaining Approval, (A) require such affected Partner to reimburse the Partnership for such withholding or (B) reduce any subsequent distributions to which such affected Partner is entitled by the amount of such withholding. Each Partner agrees to furnish the Partnership with such representations and forms as the Partnership shall reasonably request to assist it in determining the extent of, and in fulfilling, the Partnership's withholding obligations, if any. As soon as practicable after becoming aware that any withholding requirement may apply to a Partner, the Administrative General Partner shall advise such Partner of such requirement and the anticipated effect thereof. Each Partner shall pay or reimburse to the Partnership all identifiable costs or expenses of the Partnership caused by or resulting from withholding taxes with respect to such Partner.

10. **Partnership Representative**. The Administrative General Partner shall serve as the "partnership representative" (as defined in Section 6223 of the Code) and is authorized to appoint the "designated individual" and is authorized and required to represent the Partnership (at the Partnership's expense) in connection with all examinations of the Partnership's affairs by tax authorities, including administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. The Partners shall cooperate with each other and shall do or refrain from doing any and all things reasonably required to conduct such proceedings. Notwithstanding the foregoing, (1) the Administrative General Partner will give Limited Partners prior notice of all telephonic or other meetings with the Internal Revenue Service or any state taxing authority, (2) Limited Partners shall have the right to attend such meetings, (3) the Administrative General Partner shall not make any election or decision under the Code or make any statement, filing, or agreement with the Internal Revenue Service or any state taxing authority without the prior approval of Limited Partners, and (4) in any proceeding the Administrative General Partner shall furnish to the other Partners a copy of all notices or other written communications received by the Administrative General Partner from the Internal Revenue Service or any state taxing authority (except such notices or communications that are sent directly to the Partners).

11. **Definitions**. The following terms will have the following meanings. All other capitalized terms used in this **Exhibit B** shall have the same meaning as in the Agreement.

"Adjusted Capital Account" shall mean, the balance in a Partner's Capital Account after giving effect to the following adjustments:

- (i) debit or credit to such Capital Account, as applicable, all capital contributions and distributions to the Partner for the relevant Fiscal Year;
- (ii) credit to such Capital Account any amount which such Partner is obligated to restore or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and
- (iii) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), and 1.704-1(b)(2)(ii)(d)(6) of the Regulations.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended.

“**Depreciation**” shall mean, for each Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such year or other period, except that if the Gross Asset Value of any asset differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, Depreciation will be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis; provided, however, that if the federal income tax depreciation, amortization, or other cost recovery deduction for such year is zero, Depreciation will be determined with reference to such beginning Gross Asset Value using any method Approved by the Partners.

“**Economic Risk of Loss**” shall have the meaning provided by Sections 1.704-2(b)(4) and 1.752-2 of the Regulations.

“**Fiscal Year**” shall mean, for tax and accounting purposes with respect to the Partnership, each 12 month period ending December 31, unless some other period is required pursuant to the Code.

“**Gross Asset Value**” shall mean, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

- (i) the initial Gross Asset Value of any asset contributed by a Partner to the Partnership will be the gross fair market value of such asset, as determined by Administrative General Partner and Approved; and
- (ii) the Gross Asset Value of all Partnership assets may be adjusted (in the reasonable discretion of the Administrative General Partner if required to preserve the economic relationships between the Partners) to equal their respective gross fair market values (taking Section 7701(g) of the Code into account), as of the following times: (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 Partnership property as consideration for an interest in the Partnership; and (c) the liquidation of a Partner’s interest in the Partnership or the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations; and (d) at any other time if permitted by the Regulations;
- (iii) the Gross Asset Value of any Partnership asset distributed to any Partner will be the gross fair market value (taking Section 7701(g) of the Code into account) of such asset on the date of distribution;
- (iv) the Gross Asset Values of Partnership assets will be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Section 732(d), Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and clause (vi) of the definition of “Net Income” hereof; provided, however, that Gross Asset Values will not be adjusted pursuant to this subparagraph (iv) to the extent that Administrative General Partner determines that an adjustment pursuant

to subparagraph (ii) of this definition is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this subparagraph (iv); and

(v) if the Gross Asset Value of any asset has been determined or adjusted pursuant to subparagraphs (i), (ii) or (iv) hereof, such Gross Asset Value will thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing gains or losses from the disposition of such asset.

“Partner Nonrecourse Deductions” in any year shall mean the Partnership deductions that are characterized as “partner nonrecourse deductions” under Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

“Net Income” and **“Net Losses”** shall mean, for each Fiscal Year or other period, an amount equal to the Partnership’s taxable income or loss, as the case may be for such year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss and deduction required to be stated separately pursuant to Section 703(a)(1) of the Code will be included in taxable income or loss), with the following adjustments: (i) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Losses pursuant to this paragraph will be added to such taxable income or loss; (ii) any expenditures of the Partnership described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Losses pursuant to this paragraph will be subtracted from such taxable income or loss; (iii) in the event the Gross Asset Value of any Partnership asset is adjusted pursuant to subparagraph (ii) or (iii) of the definition thereof, the amount of such adjustment will be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Income or Net Losses; (iv) gain or loss resulting from the disposition of any Partnership asset with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Gross Asset Value of the asset disposed of, notwithstanding that the adjusted tax basis of such asset differs from its Gross Asset Value; (v) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there will be taken into account Depreciation for such Fiscal Year or other period, computed in accordance with the definition thereof; (vi) to the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 734(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Partner’s interest in the company, the amount of such adjustment 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) from the disposition of such asset and shall be taken into account for purposes of computing Net Income or Losses; and (vii) notwithstanding any other provision of this paragraph, any items which are specially allocated pursuant to Paragraph 4 hereof will not be taken into account in computing Net Income and Net Losses.

“Nonrecourse Deductions” in any year means the Partnership deductions that are characterized as “nonrecourse deductions” under Sections 1.704-2(b)(1) and 1.704-2(c) of the Regulations.

“Regulations” means the income tax regulations (including any temporary regulations) promulgated under the Code.

Exhibit C

Trigger Events to Replace Managing Member of Woodlake Holdings JV, LLC

1. A voluntary Bankruptcy filing by the Managing Member or the Guarantor, which is not removed of record within 90 days.
2. An involuntary Bankruptcy filing against the Managing Member or one or more of the Key Principals that is not removed of record within 90 days
3. The occurrence of a Prohibited Transfer.
4. A change in Control of the Managing Member which results in the removal of more than one of the Key Principals from the day-to-day management of the Guarantor provided that if such removal of more than one of the Key Principals is due to their death or disability, then such Key Principals can be replaced by another Person and if approved by GS in its reasonable discretion, such replacement shall not trigger GS's removal right.
5. Any breach of fiduciary duty to the Company or GS.
6. Subject to Force Majeure, failure to complete all of the Building Capital Improvements in accordance with the Business Plan within twelve (12) months following the date that the same is anticipated to be completed pursuant to the Business Plan.
7. Fraud, willful misconduct or Moral Turpitude committed by the Managing Member, any Sponsor Member, any Key Principal, or any Guarantor (i) with respect to the Company or (ii) other than in connection with the Company but in such case only if convicted of fraud or Moral Turpitude, provided, however, that any such event may be cured if, (A) within ten (10) Business Days after being notified in writing of such default by GS, the Managing Member makes full restitution to the Company of all actual out-of-pocket damages caused by such default, (B) the Managing Member promptly takes all actions necessary to remediate the situation and protect the interests of the Company and (C) within thirty (30) days after being notified in writing of such default by GS, the Managing Member provides evidence to GS that the entity affiliated with such Key Principals or Guarantor (or the Key Principals or Guarantor themselves) has been removed from any and all direct or indirect decision making and management roles in the Managing Member and no longer has any direct ownership interest in the Managing Member.
8. A breach of a material obligation under the JV Agreement by the Managing Member or any Sponsor Member, including, without limitation, failure to pay for any Sponsor Cost Overruns, a default under the Third Party Loan Documents (where notice thereof has been sent by the relevant lender), which GS reasonably believes would have a material adverse effect on the Company and continues after the Managing Member has received written notice of such default from GS and failed to cure such default within twenty (20) days following the date such written notice is so received by the Managing Member, or within any applicable cure period, if longer.

9. Any gross negligence with respect to the Company or the Project on the part of the Managing Member, a Sponsor Member, any Key Principals or its principal(s), or the Guarantor or any of their Affiliates has been convicted of gross negligence or willful misconduct in connection with another property or company in which GS or any Affiliate is an owner, investor or lender, which shall also be subject to the Special Default Cure Rights.

10. Any breach of the non-compete provisions set forth in § 4.1(b).

11. Any misrepresentation by the Managing Member, any Sponsor Member, any Key Principal or any of their Affiliates that has a material adverse effect on the Company or the Project which material adverse effect, if monetary in nature and to the extent calculable, is not cured within ten (10) business days following notice of the results of such calculation.

12. Any failure by Managing Member to have or maintain, in accordance with the HACLA Documents, a minimum of (i) 50% of the multifamily residential units at the Project rented to tenants with incomes of eighty percent (80%) or less of the AMI adjusted for family size at rents that are affordable for households with incomes of eighty percent (80%) or less of the AMI adjusted for family size, and (ii) 10% of the multifamily residential units at the Project rented to tenants with incomes of eighty percent (60%) or less of the AMI adjusted for family size at rents that are affordable for households with incomes of eighty percent (60%) or less of the AMI adjusted for family size.

13. A default by the Company under any Project Document that is continuing beyond applicable notice and cure periods.

Any specific term set forth in this Exhibit C not defined otherwise in the Agreement of Limited Partnership of Woodlake Property LP shall have the meaning and definition set forth in the JV Agreement.

ATTACHMENT 3

Partnership Organization Chart

