

Zone Map Amendment (Rezoning) - Application

PROPERTY OWNER INFORMATION*		PROPERTY OWNER(S) REPRESENTATIVE**	
☐ CHECK IF POINT OF CONTACT FOR APPLICATION ☐ CHECK IF POINT OF CONTACT FOR FEE PAYMENT***		☐ CHECK IF POINT OF CONTACT FOR APPLICATION ☐ CHECK IF POINT OF CONTACT FOR FEE PAYMENT***	
Property Owner Name		Representative Name	
Address		Address	
City, State, Zip		City, State, Zip	
Telephone		Telephone	
Email		Email	
*All standard zone map amendment applications must be initiated by owners (or authorized representatives) of at least 51% of the total area of the zone lots subject to the rezoning. See page 4.		**Property owner shall provide a written letter authorizing the representative to act on his/her behalf. ***If contact for fee payment is other than above, please provide contact name and contact information on an attachment.	
SUBJECT PROPERTY INFORMATION			
Location (address):			
Assessor's Parcel Numbers:			
Area in Acres or Square Feet:			
Current Zone District(s):			
PROPOSAL			
Proposed Zone District:			
PRE-APPLICATION INFORMATION			
In addition to the required pre-application meeting with Planning Services, did you have a concept or a pre-application meeting with Development Services?		☐ Yes - State the contact name & meeting date <u>Edson Ibanez, 10/30/24</u> ☐ No - Describe why not (in outreach attachment, see page 3)	
Did you contact the City Council District Office, applicable Registered Neighborhood Organization, and adjacent property owners and tenants regarding this application?		☐ Yes - State date below and describe method in outreach attachment, see page 3 _____	

REZONING REVIEW CRITERIA (ACKNOWLEDGE EACH SECTION)

General Review Criteria DZC Sec. 12.4.10.7.A Check box to affirm and include sections in the review criteria narrative attachment	☐ Consistency with Adopted Plans: The proposed official map amendment is consistent with the City's adopted plans. Please provide a review criteria narrative attachment describing how the requested zone district is consistent with the policies and recommendations found in each of the adopted plans below. Each plan should have its own section. 1. Denver Comprehensive Plan 2040 In this section of the attachment, describe how the proposed map amendment is consistent with <i>Denver Comprehensive Plan 2040's</i> a) equity goals, b) climate goals, and c) any other applicable goals/strategies. 2. Blueprint Denver In this section of the attachment, describe how the proposed map amendment is consistent with: a) the neighborhood context, b) the future place, c) the growth strategy, d) adjacent street types, e) plan policies and strategies, and f) equity concepts contained in <i>Blueprint Denver</i>. 3. Neighborhood/ Small Area Plan and Other Plans (List all from pre-application meeting, if applicable): _____
General Review Criteria DZC Sec. 12.4.10.7.A.1 Only check this box if your application is not consistent with 12.4.10.7.A	☐ Community Need Exception: The City Council may approve an official map amendment that does not comply with subsection 12.4.10.7.A if the proposed official map amendment is necessary to provide for an extraordinary community need that was not anticipated at the time of the adoption of the city's plans. Please provide a narrative attachment describing how the requested zone district is necessary to provide for an extraordinary community need that was not anticipated at the time of the adoption of the city's plans.
General Review Criteria: DZC Sec. 12.4.10.7. B & C Check boxes to the right to affirm and include a section in the review criteria for the public interest narrative attachment and for consistency with the neighborhood context and the stated purpose and intent of the proposed zone district.	☐ Public Interest: The proposed official map amendment is in the Public Interest. In the review criteria narrative attachment, please provide an additional section describing how the requested rezoning is in the public interest of the city. ☐ The proposed official map amendment is consistent with the description of the applicable neighborhood context, and with the stated purpose and intent of the proposed Zone District. In the review criteria narrative attachment, please provide a separate section describing how the rezoning aligns with a) the proposed district neighborhood context description, b) the general purpose statement, and c) the specific intent statement found in the Denver Zoning Code.

REQUIRED ATTACHMENTS

Please check boxes below to affirm the following **required** attachments are submitted with this rezoning application:

- ☐ **Legal Description of subject property(s).** Submit as a **separate Microsoft Word document**. View guidelines at: <https://www.denvergov.org/content/denvergov/en/transportation-infrastructure/programs-services/right-of-way-survey/guidelines-for-land-descriptions.html>
- ☐ **Proof of ownership document** for each property owner signing the application, such as (a) Assessor's Record, (b) Warranty deed, or (c) Title policy or commitment dated no earlier than 60 days prior to application date. If the owner is a corporate entity, proof of authorization for an individual to sign on behalf of the organization is required. This can include board resolutions authorizing the signer, bylaws, a Statement of Authority, or other legal documents as approved by the City Attorney's Office.
- ☐ **Review Criteria Narratives.** See page 2 for details.
- ☐ **Outreach documentation.** Pre-application outreach is required. The minimum requirement is outreach to the City Council District Office, Registered Neighborhood Organizations, and adjacent neighbors. Please describe all community outreach and engagement to these and any other community members or organizations. The outreach documentation must include the type of outreach, who was contacted or met with, the date of the outreach or engagement, and a description of feedback received, if any. If outreach was via email, please include a copy of the email. The outreach documentation attachment should be sent as a PDF or Word Doc, separate from other required attachments.

ADDITIONAL ATTACHMENTS (IF APPLICABLE)

Additional information may be needed and/or required. Please check boxes below identifying additional attachments provided with this application.

- ☐ **Written narrative explaining reason for the request** (optional)
- ☐ **Letters of Support.** If surrounding neighbors or community members have provided letters in support of the rezoning request, please include them with the application as an attachment (optional)
- ☐ **Written Authorization to Represent Property Owner(s)** (if applicable)
- ☐ **Individual Authorization to Sign on Behalf of a Corporate Entity** (e.g. if the deed of the subject property lists a corporate entity such as an LLC as the owner, this document is required.) (if applicable)
- ☐ **Affordable Housing Review Team Acceptance Letter** (if applicable)
- ☐ **Other Attachments.** Please describe below.

REZONING GUIDE

Rezoning Application Page 4 of 4

PROPERTY OWNER OR PROPERTY OWNER(S) REPRESENTATIVE CERTIFICATION

We, the undersigned represent that we are the owner(s) of the property described opposite our names, or have the authorization to sign on behalf of the owner as evidenced by a Power of Attorney or other authorization attached, and that we do hereby request initiation of this application. I hereby certify that, to the best of my knowledge and belief, all information supplied with this application is true and accurate. I understand that without such owner consent, the requested official map amendment action cannot lawfully be accomplished.

Property Owner Name(s) (please type or print legibly)	Property Address City, State, Zip Phone Email	Property Owner Interest % of the Area of the Zone Lots to Be Rezoned	Please sign below as an indication of your consent to the above certification statement	Date	Indicate the type of ownership documentation provided: (A) Assessor's record, (B) warranty deed, (C) title policy or commitment, or (D) other as approved	Has the owner authorized a representative in writing? (YES/NO)
EXAMPLE John Alan Smith and Josie Q. Smith	123 Sesame Street Denver, CO 80202 (303) 555-5555 sample@sample.gov	100%	<i>John Alan Smith</i> <i>Josie Q. Smith</i>	01/12/20	(A)	YES
			<i>[Signature]</i>			



March 7, 2025

City and County of Denver
Community Planning and Development, Planning Services
201 W. Colfax Ave, Dept. 205
Denver, CO 80202

**RE: Rezoning Request, Review Criteria
589 & 595 S Lincoln St**

To Whom It May Concern:

This written narrative and rezoning review criteria are being submitted as an attachment to the rezoning application at the below referenced property.

Address:	589 & 595 S Lincoln St
Schedule Numbers:	0515124011000, 0515124012000
Neighborhood / Council District:	Washington Park, Council District 7 (Alvidrez)
Current Zoning:	U-TU-B2, UO-3
Proposed Zoning:	U-RH-3A

CCH Lincoln Glenarm Housing Corporation, as General Partner and managing member of Lincoln Glenarm L.P., and together with its parent organization, the Colorado Coalition for the Homeless (CCH), intends to re-zone and combine the subject properties referenced above in order to redevelop the site to provide affordable, multi-family housing. The current zone district is outdated and inconsistent with recently adopted City and neighborhood plans for the area.

Criteria for review of a rezoning application is found in Denver Zoning Code (DZC) §12.4.10.7 and §12.4.10.8.

DZC §12.4.10.7 – Consistency with Adopted Plans

The following adopted plans apply to this application:

1. Denver Comprehensive Plan 2040
2. Blueprint Denver 2019
3. HOST Five Year Strategic Plan
4. West Washington Park Small Area Plan

*2111 Champa Street Denver, Colorado 80205
Tel: 303-293-2217 Fax: 303-297-1653
TTY: 303-291-6950
www.coloradocoalition.org*



Denver Comprehensive Plan 2040

This rezoning request is consistent with several strategies adopted in Denver Comprehensive Plan 2040, including equity and climate goals:

- Equitable, Affordable, and Inclusive Goal 1, Strategy A – *Increase development of housing units close to transit and mixed-use development.*

The subject property is approximately 0.5 miles from the I-25 & Broadway Station, a three-platform RTD light rail station which provides direct access to downtown Denver, surrounding communities, and critical services. Increasing the development of more residential housing units near light rail transit options are critical steps to realize the goals of Denver Comprehensive Plan. Yet, the current zoning at this location does not allow for multi-family residential development. Proposed new U-RH-3A zoning would allow for new development of affordable residential units, expanding new housing opportunities near the high-frequency RTD Station as well as other local amenities. The Properties are less than one mile from a Natural Grocers store, Safeway, Denver United Church, Matin-School Daycare, and access to Washington Park. The area also offers community center and shopping areas within a one-mile radius such as, Merchants Park Shopping Center and Washington Street Community Center.

- Equitable, Affordable and Inclusive Goal 2, Strategy A – *Create a greater mix of housing options in every neighborhood for all individuals and families.*

Rezoning to U-RH-3A will allow for a mix of housing options including multi-family apartments that provide new options for individuals and families within the West Washington Park neighborhood. This opportunity will bring much needed mix of affordable housing types, which is critical to addressing our community's growing housing needs. By allowing for affordable housing options in a variety of sizes and configurations, we can provide homes for people at different stages of life, from young adults to families and seniors.

- Strong and Authentic Neighborhoods Goal 1, Strategy D – *Encourage quality infill development that is consistent with the surrounding neighborhood and offers opportunities for increased amenities.*

Rezoning would allow new housing infill development at an appropriate scale for the neighborhood and surrounding network. The area is home to other multi-family developments, located directly across the street at 594 S Lincoln St is a three-story, residential apartment building. Broadway St, located adjacent to South Lincoln St, is home to many high-density residential communities only a mile away from the proposed rezoning location, for example, AMLI Broadway Park, Neon Local, and Windsor at Broadway Station. These existing developments demonstrate that higher-density, multi-family housing is both appropriate and compatible with the surrounding neighborhood.



- Environmentally Resilient Goal 8, Strategy A – *Promote infill development where infrastructure and services are already in place*
- Environmentally Resilient Goal 8, Strategy B – *Encourage mixed-use communities where residents can live, work and play in their own neighborhood.*

Subject property has existing infrastructure and services in place to support future residential development. Encouraging multi-family, low density residential development at this location through rezoning allows sustainable new development.

Denver Blueprint 2019

This rezoning request is consistent with policies, strategies and concepts as defined and adopted in Blueprint Denver 2019.

Housing Diversity

Denver Blueprint shows the property in an area in need of more diverse housing options as shown in the visions for an inclusive city. The map shows that the Washington Park West area where the rezoning would occur needs increased ranges of housing options. The change to the zoning for this property will allow for a higher density development with only affordable housing units allowing for more diverse housing options for the West Washington Park neighborhood. This rezoning is in direct response to the growing need for diverse housing options within the entire Denver community, particularly those that are affordable to individuals and families of varying income levels.

Growth Strategy

According to Blueprint Denver, Denver is anticipated to add 90,000 households by 2040. In order to strategically direct and absorb this growth, Denver has identified places that are more suited to capture higher growth. Urban areas, such as West Washington Park, are intended to see 20% of the anticipated housing growth. Rezoning the site to U-RH-3A allows the site to support residential growth as outlined in Blueprint Denver and help Denver meet its goals of sustainable development.

West Washington Park Neighborhood Plan

The West Washington Park Neighborhood Plan outlines recommendations based on the Lincoln Street Special Area which includes, maintaining existing residential uses along both sides of Lincoln Street, this proposed rezoning will help to provide more residential units on Lincoln Street. Converting to U-RH-3A zoning allows for more units provided on the property for those in need of affordable housing while maintain the goal of staying a residential urban community in Washington Park.



HOST Five Year Strategic Plan

Expand Access to Affordable Housing Opportunities

A goal of the HOST Five-Year Strategic Plan is to increase the supply of affordable housing units for individuals and families across Denver. The city has identified a need for 7,000 affordable homes in the next five years, with a focus on increasing both rental and ownership opportunities for lower-income households. By rezoning the property to U-RH-3A, we can contribute directly to meeting this target by adding new, affordable housing units in a high-demand area like West Washington Park. This residential zoning change facilitates the construction of affordable multi-family units, helping to bridge the gap between the demand for affordable housing and the available supply.

Address Unsheltered Homelessness

A key goal of the HOST Five-Year Strategic Plan is to address unsheltered homelessness by increasing the availability of permanent housing options and supportive services for individuals currently living on the streets or in shelters. Denver has seen a significant increase in the number of people experiencing homelessness, with many individuals living unsheltered. The proposed development will create permanent supportive housing for individuals who have been unable to access stable housing, offering them a safe and stable living environment. By rezoning the property to U-RH-3A, we will directly contribute to the city's goal of reducing the number of people living unsheltered, providing a vital housing solution for those in urgent need.

Improve Homelessness Resolution System for Families

The proposed development will provide affordable, permanent housing specifically for families who are experiencing homelessness or at risk of homelessness. By rezoning this property to U-RH-3A, we can create a stable living environment for families in crisis, which will contribute directly to improving the city's ability to resolve homelessness for families in a sustainable, long-term way. This project will not only offer families a safe, permanent place to live, but it will also integrate supportive services designed to help them regain stability. These services will include case management, child care, employment assistance, mental health support, and access to education, which are all critical for helping families overcome the systemic challenges that lead to homelessness.

DZC §12.4.10.7 – In the Public Interest

This proposed official map amendment is in the public interest of the city.

This map amendment is in the public interest of the city as it will allow additional units of critically needed affordable housing to be built in a high opportunity area of Denver while maintaining the residential character of the neighborhood.



DZC §12.4.10.7 – Consistent with Neighborhood Context & Stated Purpose and Intent of Proposed Zone District

This proposed official map amendment is consistent with the description of the applicable neighborhood context, and with the stated purpose and intent of the proposed Zone District.

The properties are located at 589/595 S Lincoln St, adjacent to properties zoned as multi-unit and commercial use with small scale apartments directly across from the property. The Urban Neighborhood (U-) Context designation consists of small-scale multi-unit residential uses and commercial areas which are typically embedded in residential areas. Several properties in the West Washington Park Neighborhood are zoned as urban and remain small scale multi-unit residential as well as multiple commercial use buildings.

Row House 3A (-RH-3A) Districts are intended to bring more diverse housing by allowing for multi-unit dwellings up to three stories in multiple building forms. U-RH-3A applies to areas served primarily by low to middle residential areas where a building scale of 1-3 stories is desired. If the zoning request is granted, the U-RH-3A designation will create a transition that complements existing residential properties while increasing density in a responsible manner while not conflicting with the current small-scale apartment buildings located on Lincoln St.

Required Additional Attachments:

- A Legal Description
- B Proof of Ownership (Warranty Deed)
- C Proof of Individual Authorization for Corporate Entity

LEGAL DESCRIPTION

Parcel 1:

Lot 25 and the South $\frac{1}{2}$ of Lot 26, Block 1, EXPOSITION ADDITION,
City and County of Denver,
State of Colorado.

AKA: 595 South Lincoln Street, Denver, Colorado 80209.

Parcel 2:

Lot 27 and the North $\frac{1}{2}$ of Lot 26, Block 1, EXPOSITION ADDITION,
City and County of Denver,
State of Colorado.

AKA: 598 South Lincoln Street, Denver, Colorado 80209.

BARGAIN AND SALE DEED

KNOW ALL MEN BY THESE PRESENTS, That

CCH Lincoln/Glenarm Housing, Inc.,
a Colorado nonprofit corporation,

whose address is:

CCH Lincoln/Glenarm Housing, Inc.,
2100 Broadway
Denver, Colorado 80205

for the consideration of Ten dollars and other good and valuable consideration,
in hand paid, hereby sells and conveys to Lincoln/Glenarm, L.P., a Colorado limited partnership,

whose legal address is

Lincoln/Glenarm, L.P.
c/o CCH Lincoln/Glenarm Housing, Inc.,
2100 Broadway
Denver, Colorado 80205

the following real property situated in the City and County of Denver, and State of Colorado, to wit:

LOTS 3 AND 4
BLOCK 191
CLEMENT'S ADDITION TO THE CITY OF DENVER
CITY AND COUNTY OF DENVER
STATE OF COLORADO; and

LOT 25 AND THE SOUTH 1/2 OF LOT 26
BLOCK 1
EXPOSITION ADDITION
CITY AND COUNTY OF DENVER
STATE OF COLORADO; and

LOT 27 AND THE NORTH 1/2 OF LOT 26
BLOCK 1
EXPOSITION ADDITION
CITY AND COUNTY OF DENVER
STATE OF COLORADO

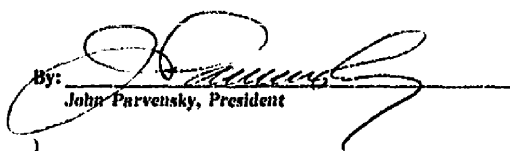
CONVIENIENCE DEED-NO DUC FEE REQUIRED

also known by street and number as 2050-54 GLENARM PLACE, DENVER, COLORADO 80205; and 595 AND 598
SOUTH LINCOLN STREET, DENVER, COLORADO 80209, with all their appurtenances.

Signed and delivered this 13th day of January, 1995.



CCH LINCOLN/GLENARM HOUSING, INC.,
a Colorado nonprofit corporation

By: 
John Parvensky, President

STATE OF COLORADO)

) ss.

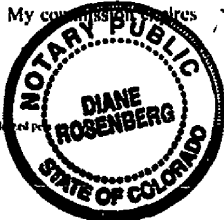
CITY AND COUNTY OF DENVER)

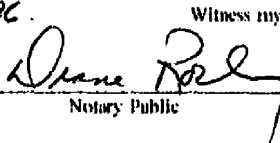
The foregoing instrument was subscribed to and acknowledged before me this 13th day of January, 1995, by
John Parvensky as President of CCH Lincoln/Glenarm Housing, Inc., a Colorado nonprofit corporation, for and on behalf
of the corporation.

My commission expires

Sept 30, 1996

Witness my hand and official seal.




Notary Public

MOYE, GILES, O'KEEFE, VERMEIRE & GORRELL
29th FLOOR
1225 SEVENTEENTH STREET
DENVER, COLORADO 80202-5529

ATTN: LIF

Return original to:
Lois J. Finn, Legal Assistant
Moye, Giles, O'Keefe, Vermeire & Gorrell
1225 17th Street, 29th Floor
Denver, CO 80202





Lincoln/Broadway Corridor Registered Neighborhood Association Position Statement

October 22nd, 2024

Re: 595 and 590 S. Lincoln - Zoning change request from U-TU-B2 to U-RH-3A
Application Number:

Dear,

The Lincoln/Broadway Corridor Registered Neighborhood Organization (L/BCRNO) met with Colorado Coalition for the Homeless (CCH) during our September 18th, 2024 meeting to discuss the zoning change request related to the properties located at 595 S Lincoln St & 589 S Lincoln St.

L/BCRNO supports CCH's mission of Housing for All mission and are eager to see the development of more affordable housing in our area. L/BCRNO's endorsement of the proposed rezoning is contingent upon reaching a mutually acceptable Community Benefits Agreement. This agreement should ensure that the new developments align with the character of our neighborhood, including maintaining similar architectural styles and design elements that complement the existing community aesthetic.

L/BCRNO's Zoning Committee will be meeting on November 4th to discuss the zoning change request and to discuss how we would like to proceed with CCH.

As required by DRMC § 12-96, a meeting of the above-referenced Registered Neighborhood Organization was held on September 18th, 2024, with 15 members in attendance. L/BCRNO's board voted via email between October 18th to 23rd with a total of 7 members voting, 7 voted to support (or to not oppose) the application; 0 voted to oppose the application; and 0 voted to abstain on the issue. It is therefore resolved, with a total of 7 members voting in aggregate: The position of the Lincoln/Broadway Corridor Registered Neighborhood Organization is that Denver City Council approve with comments pertaining to the proposed CBA discussion regarding the rezoning of 595 and 590 S. Lincoln Street from U-TU-B2 to U-RH-3A.

Sincerely,

Brandon Gleich
Zoning Committee Chair
Zoning.lbcarno@gmail.com
L/BCRNO

WRITTEN CONSENT
OF
THE SOLE MEMBER
OF
CCH LINCOLN/GLENARM INC.
Effective as of April 26, 2023

The undersigned, being the sole member (the “**Member**”) of CCH Lincoln/Glenarm Inc., a Colorado nonprofit corporation (the “**Corporation**”), acting by written consent without a meeting pursuant to Section 7-127-107 of the Colorado Business Corporation Act (the “**Act**”) and Section 5 of Article III of the Bylaws of the Corporation (the “**Bylaws**”), does hereby consent to the adoption of the following resolutions. It is the intent of the undersigned that this consent be executed in lieu of, and constitute, a meeting of the members of the Corporation, which consent shall be filed by the Secretary of the Corporation with the minutes of the meetings of the shareholders.

Election of Directors

RESOLVED, that the following individuals are each elected to the Board to serve until their successors are duly elected and qualified in accordance with Article III, Section 1 of the Bylaws:

Britta Fisher
Jennifer Cloud
Peter Stoller

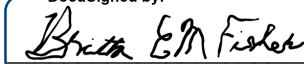
General Resolutions

RESOLVED: that an executed copy of this Written Consent shall be filed with the minutes of the proceedings of the Member.

IN WITNESS WHEREOF, the undersigned Member has duly executed this Written Consent as of the date first written above.

MEMBER:

The Colorado Coalition for the Homeless,
a Colorado nonprofit corporation

DocuSigned by:
By: 
327F41B7F8474G5...
Britta Fisher, President

**LIMITED PARTNER INTEREST PURCHASE AGREEMENT
(LINCOLN GLENARM, L.P.)**

This Limited Partner Interest Purchase Agreement (the "Agreement") is made and entered into effective as of December 31, 2012 by and between BANC ONE COMMUNITY DEVELOPMENT CORPORATION, an Ohio corporation ("Seller"), and CCH/LINCOLN GLENARM HOUSING, INC, a Colorado nonprofit corporation ("Buyer"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the below defined Partnership Agreement.

BACKGROUND INFORMATION

A. Lincoln Glenarm, L.P., a Colorado limited partnership (the "Partnership") exists and operates pursuant to its certificate filed with the Colorado Secretary of State on December 5, 1994 and the Lincoln Glenarm, L.P. Agreement of Limited Partnership of dated December __, 1994, as amended by that First Amended and Restated Agreement of Limited Partnership of Lincoln Glenarm, L.P., dated as of January 13, 1995 (collectively, the "Partnership Agreement");

B. Seller is a Limited Partner of the Partnership and, pursuant to Exhibit A of the Partnership Agreement, owns a 98.99% Partnership Interest in the Partnership (the "Seller Limited Partner Interest");

C. Buyer, who is the general partner of the Partnership, wishes to purchase all of Seller's Limited Partner Interest, become a substitute limited partner in the Partnership and assume all of Seller's rights, duties and obligations as a limited partner in the Partnership and under the Partnership Agreement;

D. The Partnership is the owner of a seven (7) low income housing units located in five (5) buildings on scattered sites in Denver, Colorado, commonly known as the "Lincoln/Glenarm" (the "Project");

E. Seller desires to sell to Buyer and Buyer desires to purchase from Seller the Seller Limited Partner Interest and all of Seller's right, title and interest as a Limited Partner in the Partnership, at the price and on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to the following:

ARTICLE I

PURCHASE AND SALE OF SELLER LIMITED PARTNER INTEREST

§1.1 On the terms and conditions hereinafter set forth, Seller hereby agrees to sell to Buyer, and Buyer hereby agrees to purchase from Seller, the Seller Limited Partner Interest and all of Seller's right, title and interest in and to the Partnership under the Partnership Agreement.

§1.2 The Seller Limited Partner Interest shall be assigned and transferred by Seller to Buyer by an Assignment and Assumption Agreement, in the form attached hereto as Exhibit A

(the "Assignment and Assumption Agreement") attached hereto and incorporated herein by reference.

ARTICLE II

PURCHASE PRICE

§2.1 The total purchase price (the "Purchase Price") for the Seller Limited Partner Interest shall be the sum equal to (a) Five Thousand Dollars (\$5,000.00), plus (b) the legal fees actually incurred by Seller in connection with the transaction contemplated hereby in an amount not to exceed Two Thousand Dollars (\$2,000).

§2.2 The Purchase Price shall be payable at Closing, as hereinafter provided.

ARTICLE III

DOCUMENTS OF TRANSFER

§3.1 The Seller Limited Partner Interest shall be assigned and transferred by Seller to Buyer by the Assignment and Assumption Agreement.

§3.2 In addition to the documents required by the foregoing provision of this Article IV, Seller shall deliver to the Buyer at the Closing such other documents reasonably necessary to effectuate the transaction contemplated hereby, if any.

ARTICLE IV

CLOSING

§4.1 The Closing shall occur on or before December __, 2012.

§4.2 At the Closing, the Purchase Price shall be paid in full to Seller by Buyer.

ARTICLE V

WARRANTIES AND REPRESENTATIONS

§5.1 Seller hereby represents and warrants as follows:

(a) Seller has, and at Closing shall have, a good and marketable title to the Seller Limited Partner Interest, with the absolute right to sell assign and transfer the Seller Limited Partner Interest to Buyer free and clear of all liens, pledges, hypothecations, security interests or encumbrances.

(b) The execution, delivery and performance of this Agreement, and the consummation of the transaction contemplated hereby, will not result in any breach of, or constitute any default under, or result in the imposition of any lien or encumbrance against the

Seller Limited Partner Interest under any agreement or other instrument to which Seller is a party or by which Seller is bound.

(c) The Seller Limited Partner Interest constitutes all of Seller's interest in the Partnership, and under the Partnership Agreement.

(d) Seller has full legal capacity, right and power to enter into this Agreement and to assign, transfer and deliver the Seller Limited Partner Interest to be transferred and assigned under this Agreement to Buyer.

(e) Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Ohio.

(f) The person(s) signing this Agreement on behalf of the Seller is (are) fully authorized by all necessary corporate action to execute this Agreement on behalf of the Seller. The execution and delivery of this Agreement and each of the other documents and agreements described in or contemplated by this Agreement to be executed by it and the performance of the transactions contemplated herein and in each such other documents have been duly authorized by all requisite corporate action, and will not result in the breach of or default under any agreement, mortgage or other instrument to which it is a party or by which it is bound.

(g) Seller shall pay all federal, state or local taxes actually incurred by Seller in connection with the transaction contemplated hereby.

THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER GUARANTEES, REPRESENTATIONS AND WARRANTIES OF ANY KIND, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED, WITH RESPECT TO THE SELLER LIMITED PARTNER INTEREST. ACCORDINGLY, SELLER HAS NOT MADE, AND SHALL NOT BE DEEMED, BY VIRTUE OF HAVING SOLD THE SELLER LIMITED PARTNER INTEREST, OR OTHERWISE, TO HAVE MADE, ANY OTHER GUARANTEE, REPRESENTATION OR WARRANTY WHATSOEVER, WHETHER WRITTEN, ORAL, EXPRESS, OR IMPLIED, WITH RESPECT TO THE SELLER LIMITED PARTNER INTEREST, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY BUYER.

§5.2 Buyer represents and warrants as follows:

(a) The Purchase Price is being paid to Seller from funds that are not Partnership funds.

(b) Buyer has full legal capacity, right and power to enter into this Agreement (including the consent of any party or court of law whose consent is required) and to accept the Seller Limited Partner Interest to be transferred and assigned to Buyer under this Agreement.

(c) Buyer is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Colorado.

(d) The person(s) signing this Agreement on behalf of Buyer is (are) fully authorized by all requisite action to execute this Agreement on behalf of Buyer.

ARTICLE VI

INDEMNIFICATION

§6.1 Seller shall indemnify and hold Buyer harmless and Buyer shall indemnify and hold Seller harmless for, from and against any and all claims, demands, losses, damages, judgments, suits, actions and causes of action of any nature whatsoever (including but not limited to court costs and reasonable attorney fees) which are attributable to a breach of any representation, warranty or covenant made by such party under Article V, hereunder.

§6.2 The foregoing indemnification is in addition to the indemnifications set forth in the Assignment and Assumption Agreement.

§6.3 The indemnification set forth in this Article VI shall survive the Closing and delivery of the Purchase Price hereunder.

ARTICLE VII

GENERAL PROVISIONS

§7.1 This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado without regard to conflicts of law principles.

§7.2 This Agreement may not be modified except by an instrument in writing signed by the parties hereto, and supersedes all previous agreements, written or oral, if any, of the parties with regard to the subject matter hereof.

§7.3 This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, executors, legal representatives, successors and assigns.

§7.4 In the event that any provision of this Agreement shall be held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

§7.5 No waiver of any of the provisions of this Agreement shall be deemed, nor shall the same constitute a waiver of any other provisions, whether or not similar nor shall any such waiver constitute a continuing waiver. No waiver shall be binding, unless executed, in writing, by the party making the waiver.

§7.6 Time is of the essence in all respects of this Agreement.

§7.7 The prevailing party or parties in any dispute arising under this Agreement or the related Assignment and Assumption Agreement, shall be entitled to recover its reasonable legal fees and court costs from the non-prevailing party.

§7.8 The section headings in this Agreement are for convenience only and shall not be considered for any purpose in construing this Agreement. As used in this Agreement, the masculine, feminine and neuter genders, and the singular and plural numbers shall be each deemed to include the other whenever the context so requires.

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

§7.10 It is the explicit intention of the parties that no person or entity other than the parties are or shall be entitled to bring any action or enforce any provision of this Agreement against any party and that the covenants, undertakings and agreements set forth in this Agreement shall be solely for the benefit of and shall be enforceable only by the parties herein (and their or its respective successors and assigns as permitted hereunder).

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto subscribed their names effective as of the day and year first aforesaid.

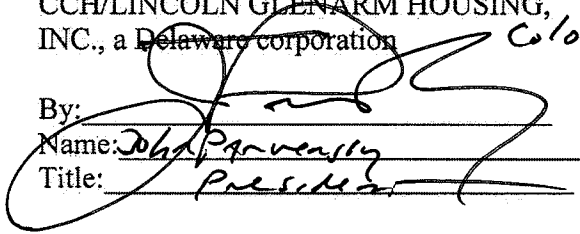
SELLER:

BANC ONE COMMUNITY
DEVELOPMENT CORPORATION, an
Ohio corporation

By: 
Melvina E. Lloyd, Vice President

BUYER:

CCH/LINCOLN GLENARM HOUSING,
INC., a Delaware corporation

By: 
Name: John P. Grunewald
Title: President

Colorado Non Profit Corp.

Exhibit A

(Assignment and Assumption Agreement)

ASSIGNMENT AND ASSUMPTION AGREEMENT (LINCOLN GLENARM, L.P.)

This Assignment and Assumption Agreement (the "Agreement") is made and entered into effective as of December 31, 2012 by and between BANC ONE COMMUNITY DEVELOPMENT CORPORATION, an Ohio corporation ("Transferor"), CCH/LINCOLN GLENARM HOUSING, INC, a Colorado nonprofit corporation ("Transferee") and CCH/LINCOLN GLENARM HOUSING, INC, a Colorado nonprofit corporation (the "General Partner"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the below defined Partnership Agreement.

RECITALS

WHEREAS, Lincoln Glenarm, L.P., a Colorado limited partnership (the "Partnership") exists and operates pursuant to its certificate filed with the Colorado Secretary of State on December 5, 1994 and the Lincoln Glenarm, L.P. Agreement of Limited Partnership of dated December __, 1994, as amended by that First Amended and Restated Agreement of Limited Partnership of Lincoln Glenarm, L.P., dated as of January 13, 1995 (collectively, the "Partnership Agreement");

WHEREAS, Transferor is a Limited Partner of the Partnership and, pursuant to Exhibit A of the Partnership Agreement, owns a 98.99% Partnership Interest in the Partnership (the "Transferor Limited Partner Interest");

WHEREAS, Transferee wishes to purchase all of the Transferor Limited Partner Interest, become a substitute limited partner in the Partnership and assume all of Transferor's rights, duties and obligations as a limited partner in the Partnership and under the Partnership Agreement;

WHEREAS, the Partnership is the owner of a seven (7) low income housing units located in five (5) buildings on scattered sites in Denver, Colorado, commonly known as the "Lincoln/Glenarm" (the "Project");

WHEREAS, Transferor desires to transfer and assign all of its right, title and interest in and to the Partnership, including the Transferor Limited Partner Interest, to Transferee, and Transferor and Transferee desire that Transferee be assigned the Limited Partner Interest pursuant to the provisions of the Partnership Agreement and the Limited Partner Interest Purchase Agreement executed concurrently herewith by and between Transferor and Transferee (collectively, the "Transfer"); and

WHEREAS, Transferee has agreed to accept the Transfer and to release the Transferor from certain of its obligations on the terms set forth herein.

NOW, THEREFORE, in consideration of the premises hereof and other good and valuable consideration, the parties hereto hereby agree as follows:

AGREEMENT

§1. **Recitals.** The Recitals are hereby incorporated in and made a part of this Agreement by this reference.

§2. **Transfer, Assignment and Assumption and Release.**

(a) For value received, the receipt and sufficiency of which are hereby acknowledged, Transferor shall at the Closing as defined in the Limited Partner Interest Purchase Agreement executed concurrently herewith transfer, sell, bargain, assign and convey to Transferee one hundred percent (100%) of the Transferor Limited Partner Interest and all of its right, title and interest in and to the Partnership and its property and under the Partnership Agreement. Transferee hereby accepts the Transfer and agrees to be bound by all of the terms and conditions of the Partnership Agreement and assume the obligations of Transferor under the Partnership Agreement related to the Transferor Limited Partner Interest.

(b) By execution of this Agreement, Transferee and the Partnership shall release Transferor from any and all obligations and liabilities under the Partnership Agreement for the Transferor Limited Partner Interest arising on or after the closing as defined in the Limited Partner Interest Purchase Agreement executed concurrently herewith. Transferor upon the Closing shall withdraw as a partner of the Partnership, effective on the Closing and Transferee shall be admitted as a substitute limited partner subject to any and all obligations and liabilities under the Partnership Agreement.

§3. **Representations and Warranties.**

(a) **Transferor.** Transferor hereby represents and warrants as follows:

(i) The Transferor Limited Partner Interest to be transferred pursuant to this Agreement constitutes one hundred percent (100%) of Transferor's interest in and to the Partnership and under the Partnership Agreement.

(ii) Transferor is the lawful owner of the Transferor Limited Partner Interest transferred and assigned under this Agreement and has valid and marketable title thereto, free and clear of all claims, liens, pledges, security interest, restrictions, hypothecations, equities or encumbrances of any nature whatsoever.

(iii) Transferor has full legal capacity, right and power to enter into this Agreement (including the consent of any party or court of law whose consent is required other than project lenders) to assign, transfer and deliver the Transferor Limited Partner Interest to be transferred and assigned under this Agreement to Transferee free and clear of any claims, liens, pledges, security interests, restrictions, hypothecations, equities or encumbrances of any nature whatsoever, all in accordance with the terms of this Agreement.

(iv) Transferor acknowledges and agrees that Transferor shall do, execute, acknowledge and deliver all such further acts, deeds, transfers,

assignments, conveyances and assurances for the better assigning, granting, transferring, conveying and conferring unto Transferee, Transferee's heirs, executors, administrators, successors, and assigns the Transferor Limited Partner Interest and interest in the Partnership property hereby granted, transferred, conveyed, assigned and delivered as Transferee or their heirs, executors, administrators, successors, and assigns shall reasonably require.

(b) **Transferee.** Transferee hereby represents and warrants as follows:

(i) Transferee has full legal capacity, right and power to enter into this Agreement (including the consent of any party or court of law whose consent is required) and to accept the transfer of the Transferor Limited Partner Interest and assume the obligations of Transferor under the Partnership Agreement.

(ii) Transferee is a not-for-profit corporation, duly formed, validly existing and in good standing under the laws of the State of Colorado.

(iii) The execution and delivery of this Agreement and each of the other documents and agreements described in or contemplated by this Agreement to be executed by Transferee and the performance of the transactions contemplated herein and in each such other document have been duly authorized by all requisite action, and will not result in the breach of or default under any agreement, mortgage or other instrument to which it is a party or by which it is bound.

(iv) Transferee is acquiring the Transferor Limited Partner Interest for its account, for investment only and not with a view to the sale or distribution thereof.

(v) Transferee recognizes that (i) the Transferor Limited Partner Interest has not been registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption from such registration, and agrees that Transferee will not sell, offer for sale, transfer, pledge or hypothecate an interest in the Partnership in the absence of an effective registration statement covering such interest under the Securities Act, or an available exemption therefrom, unless such sale, offer of sale, transfer, pledge or hypothecation is exempt from registration; and (ii) the restrictions on transfer may severely affect the liquidity of its investment.

(vi) Transferee expressly agrees to be bound, to the same extent as Transferor, by the provisions of the Partnership Agreement and to assume the obligations of Transferor thereunder.

(vii) Transferee has obtained the consents of such other parties whose consents are required to the transaction hereby contemplated.

(viii) Transferee agrees to execute such instrument or instruments as shall be reasonably required by the Partnership to signify Transferee's agreement to be bound by and made a party to the provisions of the Partnership Agreement with respect to the Transferor Limited Partner Interest.

§4. Indemnification. Transferor hereby agrees to indemnify Transferee and hold Transferee harmless from any and all claims, demands, judgments, suits, actions and cause of action ("Claims") relating to the Transferor Limited Partner Interest, which Claims accrue prior to the Closing. Transferee hereby agrees to indemnify Transferor and hold Transferor harmless from any and all Claims arising as a result of Transferee's ownership of the Transferor Limited Partner Interest assigned to Transferee by Transferor, accruing on or after the Closing.

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

§6. Applicable Law. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Colorado.

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

[Signature Page Follows.]

IN WITNESS WHEREOF, the parties hereto subscribed their names effective as of the day and year first aforesaid.

TRANSFEROR:

BANC ONE COMMUNITY
DEVELOPMENT CORPORATION, an
Ohio corporation

By: Melvina E. Lloyd
Melvina E. Lloyd, Vice President

TRANSFeree:

CCH/LINCOLN GLENARM HOUSING,
INC., a Delaware corporation *Colorado non-profit corporation*

By: [Signature]
Name: John Parvinsky
Title: President

The undersigned General Partner of the Partnership hereby (1) represents and warrants that the consents of all parties whose consents are required to the transaction contemplated herein have been obtained, (2) consents to the foregoing assignment and assumption and the substitution of the Transferor as a limited partner of the Partnership, (3) represents and warrants that the Transferor Limited Partner Interest represents all of Transferor's interest in the Partnership, (4) agrees that the Transferee shall be substituted as party to the Partnership Agreement and other related documents, and (5) hereby releases Transferor from any and all obligations and liabilities under the Partnership Agreement.

GENERAL PARTNER:

CCH/LINCOLN GLENARM HOUSING,
INC., a Delaware corporation *Colorado non-profit corporation*

By: [Signature]
Name: John Parvinsky
Title: President

FIRST AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
LINCOLN GLENARM, L.P.

FIRST AMENDED AND RESTATED AGREEMENT

OF

LIMITED PARTNERSHIP

OF

LINCOLN GLENARM, L.P.

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FIRST AMENDED AND RESTATED AGREEMENT

OF

LIMITED PARTNERSHIP

OF

LINCOLN GLENARM, L.P.

THIS FIRST AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF LINCOLN GLENARM, L.P. (the "Agreement") is made and entered into as of January 13, 1995, by and among the undersigned parties.

RECITALS

WHEREAS, Lincoln Glenarm, L.P. (the "Partnership") has been formed as a limited partnership under the Colorado Uniform Limited Partnership Act of 1981 pursuant to that certain Certificate of Limited Partnership filed with the Secretary of State of the State of Colorado on December 5, 1994, and the Agreement of Limited Partnership dated December 5, 1994, having CCH/Lincoln Glenarm Housing, Inc., a Colorado nonprofit corporation as the general partner and Joyce Alms-Ransford as the limited partner; and

WHEREAS, the original Partners of the Partnership desire to amend the original agreement to (i) expand the Partnership to admit Banc One Community Development Corporation, an Ohio corporation, as a limited partner and Enterprise Community Housing Organization, Inc., a Delaware corporation, as a special limited partner; (ii) effectuate the withdrawal of Joyce Alms-Ransford as the limited partner; and (iii) amend and restate entirely the agreement among the Partners;

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

ARTICLE I

Definitions

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

"Accountants" means Lehman, Butterwick & Co., P.C. or such other firm of independent certified public accountants which are acceptable to The Enterprise Social Investment Corporation ("ESIC").

"Act" means the Colorado Uniform Limited Partnership Act of 1981, or any corresponding provision or provisions of succeeding law, as it or they may be amended from time to time.

"Additional Capital Contribution" means a Capital Contribution to the Partnership, the due date of which is subsequent to the Admission Date.

"Additional Capital Contribution Due Date" means the later of (i) the due date of such Additional Capital Contribution in accordance with the schedule of payments listed on Exhibit A hereof, or (ii) forty-five days after receipt by the Limited Partner of the Additional Capital Contribution Notice.

"Additional Capital Contribution Notice" has the meaning set forth in Article III(2)(c).

"Adjusted Capital Account Deficit" means, with respect to the Limited Partner, the deficit balance, if any, in such Partner's Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments:

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

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

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

"Admission Date" means the date on which the Limited Partner is admitted to the Partnership, which shall be deemed to be the later of: (i) the date of payment by the Limited Partner of its Capital Contribution due on the Admission Date in accordance with the schedule of payments listed on Exhibit A hereof; or (ii) the date the Certificate is filed as the Partnership's certificate of limited partnership, as amended, if necessary, in accordance with the Act.

"Affiliate" means, as to any Partner, (i) any such Partner or member of his Immediate Family; (ii) the legal representative, successor or assignee of, or any trustee of a trust for the benefit of, any such Partner or member of his Immediate Family; (iii) any entity of which a majority of the voting interests is owned by any one or more of the Persons referred to in the preceding clauses (i) and (ii); (iv) any officer, director, trustee, employee, stockholder (10% or more) or partner of any Person referred to in the preceding clauses (i), (ii) and (iii); and (v) any Person directly or indirectly controlling (10% or more), or under direct or indirect common control with, any Person referred to in the preceding clauses (i), (ii), (iii), or (iv).

"Agreement" means this First Amended and Restated Agreement of Limited Partnership of Lincoln Glenarm, L.P., including Exhibits A-J attached hereto and made a part hereof, as amended and in effect from time to time.

"Appraised Value" has the meaning set forth in Article IX(7).

"Architect" means Murphy Design Group.

"Architect Agreement" means the "Architectural Services Agreement" dated March 1, 1993, between the Partnership and the Architect.

"Authority" means the Colorado Housing Finance Authority.

"Break-even" means the achievement, on a cash basis, of annual income from the normal operation of the Project which equals or exceeds all operational costs of the Project during such year, including but not limited to, taxes, assessments, funding of Replacement Reserves in accordance with Article V(18) and debt service payments.

"Capital Account" has the meaning set forth in Article VII(1) of this Agreement.

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

"Certificate" means the Certificate of Limited Partnership for the Partnership which is prepared and filed in accordance with the Act, as such Certificate may be amended from time to time.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

"Completion Date" means the date upon which the Partnership has completed the rehabilitation of the Partnership Property in accordance with the Construction Contract and plans and specifications as evidenced by a certificate prepared and executed by the Architect indicating that rehabilitation of the Partnership Property has been completed in accordance with the Construction Contract and plans and specifications, except for punch list items which are not material and do not affect the rental of the space in the Project on a full rent paying basis, provided the Partnership has furnished funds or cash equivalents in escrow to provide for the completion of construction of such punch list items.

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

"Construction Contract" means the construction contract between the Partnership and MultiContractors, Inc.

"Credit" means the Low-Income Housing Tax Credit provided for under Section 42 of the Code, including both the 30% present value acquisition Credit and the 70% present value new construction and rehabilitation Credit.

"Credit Adjuster Advance" means an advance to the Partnership pursuant to Article III(3) or Article III(4) by the General Partner, which shall not affect its Interest or Partnership Percentage.

"Credit Deficiency" means the Projected Credits (reduced by any reduction in Capital Contributions and any Credit Adjuster Advances pursuant to Article III(3)(b)) less the aggregate amount of the Credits received by the Limited Partner which shall be computed no sooner than at the end of the Compliance Period. For this purpose, the Limited Partner shall be considered to have received Credits in the amount allocated to the Limited Partner on the Partnership's federal income tax returns reduced by (i) any adjustment of the Partnership's tax return that is made or claimed by the IRS, except to the extent that such adjustment or claimed adjustment is rejected or overturned by the IRS or a court in a Final Determination; and (ii) the amount of any recapture or claimed recapture of such Credits (other than recapture caused by the action of the Limited

Partner and not including recapture which is rejected by the IRS or a court in a Final Determination).

"Deferred Development Fee" means that portion of the Development Fee which has not yet been paid.

"Designated Proceeds" has the meaning set forth in Article V(13)(c).

"Development Advance" has the meaning set forth in Article V(13)(b).

"Development Services Agreement" means the Development Services Agreement of even date herewith between the Partnership and Colorado Coalition for the Homeless ("CCH") for the development of the Partnership Property.

"Development Fee" means the fee payable to CCH pursuant to the Development Services Agreement.

"Event of Bankruptcy" means with respect to any Person,

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

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

(iii) the commencement against such Person of an involuntary case under the United States Bankruptcy Code which has not been vacated, discharged or bonded within sixty consecutive days; or

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

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

"Extended Use Period" means the thirty (30) year period defined in Section 42(h)(6)(D) of the Code, ending on the date which is at least fifteen (15) years after the end of the Compliance Period.

"Fair Market Value" has the meaning set forth in Article IX(7).

"Fee Agreements" mean Development Services Agreement, Property Management Agreement, Partnership Management Services Agreement and Investor Services Agreement of even date herewith, which are attached hereto as Exhibits C through F.

"Fee Guarantee Advance" means an advance to the Partnership pursuant to Article V(15) by the General Partner, which shall not affect its Interest or Partnership Percentage.

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

"Gain" means the income and gain of the Partnership for federal income tax purposes arising from a sale or other disposition of all or any portion of the Partnership Property.

"General Partner" means CCH/Lincoln Glenarm Housing, Inc. and any additional or substitute general partners of the Partnership named in any duly adopted amendment to this Agreement.

"Guaranty Agreements" means (i) the Operating Deficit Guaranty Agreement of even date herewith by and among the Partnership, CCH and the General Partner; and (ii) the Unconditional Construction Completion Guaranty Agreement of even date herewith by CCH, which are attached hereto as Exhibits G and H.

"HUD" means the United States Department of Housing and Urban Development.

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

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

"Interest Adjustment" means an amount equal to the interest which, as of the date of an event which results in a distribution of the amount of the Credit Deficiency to the Limited Partner, would have accrued upon each Shortfall (as defined below) of low income housing tax credits had such interest been accruing annually at the federal long-term rate (as defined in Section 1274(d) of the Code) in effect in January of each year beginning with the year succeeding the tax year in which the Shortfall occurred. As used herein, a "Shortfall" shall mean the difference between (i) the Projected Credits allocable to each tax year of the credit period (as defined in Section 42(f)(1) of the Code), less (ii) the amount of Credits actually received by the Limited Partner for each such tax year. For purposes of calculating a Shortfall, the amount of Credits actually received shall be the amount allocated to the Limited Partner on the Partnership's federal income tax return for such year, reduced by (i) any adjustment of the Partnership's tax return that is made or claimed by the IRS, except to the extent that such adjustment or claimed adjustment is rejected or overturned by the IRS or a court in a Final Determination, and (ii) the amount of any recapture or claimed recapture of such Credits (other than recapture caused by the action of the Limited Partner and not including recapture which is rejected by the IRS or a court in a Final Determination). A Shortfall for a taxable year shall be deemed to have occurred on the following March 15.

"IRS" means the Internal Revenue Service.

"LIH Reduction Amount" means the sum of (i) the amount by which the portion of the Credit to be allocated to the Limited Partner which the Partnership claims for that taxable year is less than the Projected Credit for that year, and (ii) the portion of the Credit allocated to the Limited Partner which the Partnership claimed that the Partnership or the Accountants determine must be recaptured during such taxable year; provided, however, that such sum, for such taxable year, shall not exceed the aggregate amount of the Development Fee, reduced by the

amount of all Credit Adjuster Advances which have been made to the Partnership by the General Partner pursuant to Article III(3)(b) (but no reduction shall be made for Credit Adjuster Advances made pursuant to Article III(4)).

"Limited Partner" means Banc One Community Development Corporation, or any Person or Persons who becomes a Substitute Limited Partner as provided herein, in each such person's capacity as a Limited Partner.

"Loan Documents" means (i) the Mortgages; (ii) the Mortgage Notes; (iii) the Regulatory Agreement; and (iv) any and all other documents executed by the Partnership in connection with the aforesaid Loan Documents.

"Loss" means the loss of the Partnership for federal income tax purposes arising from a sale or other disposition of all or any portion of the Partnership Property.

"Management Agent" means CCH.

"Management Agreement" means the Property Management Agreement of even date herewith between the Partnership and the Management Agent.

"Minimum Gain" means the amount determined by computing with respect to each nonrecourse liability of the Partnership, the amount of Gain, if any, that would be realized by the Partnership if it disposed of the asset securing such liability in full satisfaction thereof, and by then aggregating the amounts so computed. For purposes of determining the amount of such Gain with respect to a liability, the adjusted basis for federal income tax purposes of the asset securing the liability shall be allocated among all the liabilities that the asset secures in the manner set forth in Treasury Regulation Section 1.704-2(d)(2) (or successor provisions).

"Mortgages" means the deeds of trust on the Partnership Property which have been granted by the Partnership in favor of the Mortgagees to secure the indebtedness under the Mortgage Notes and if the Mortgages are replaced or supplemented by subsequent financing and mortgages in accordance with this Agreement, such term shall refer to any such subsequent financing, mortgage, or mortgages.

"Mortgagees" means CHFA and CCH/Lincoln Glenarm Housing, Inc. (in its capacity as lender), as payees of the Mortgage Notes, together with any successors or assigns in such capacity.

"Mortgage Notes" means the notes assumed by the Partnership in favor of (i) CHFA dated April 21, 1993, in the

principal amount of \$248,016; (ii) CHFA dated April 21, 1993, in the principal amount of \$94,380; and (iii) CCH/Lincoln Glenarm Housing, Inc. dated January 13, 1994, in the principal amount of \$49,675.

"Net Cash Flow" has the meaning set forth in Article VIII(1)(c).

"Net Losses" means the net loss of the Partnership for federal income tax purposes for each taxable year, calculated without regard to Gain or Loss and without regard to those items that are specially allocated in accordance with Regulatory Allocations; provided, however, that in determining net loss (i) any tax-exempt income received by the Partnership shall be included as an item of gross income, and (ii) any expenditure of the Partnership described (or treated under Treasury Regulation Section 1.704-1(b)(2)(iv)(i) as described) in Section 705(a)(2)(B) of the Code shall be treated as a deductible expense.

"Net Profits" means the taxable income of the Partnership for federal income tax purposes for each taxable year, calculated without regard to Gain or Loss and without regard to those items which are specially allocated in accordance with the Regulatory Allocations; provided, however, that in determining taxable income (i) any tax-exempt income received by the Partnership shall be included as an item of gross income, and (ii) any expenditure of the Partnership described (or treated under Treasury Regulation Section 1.704-1(b)(2)(iv)(i) as described) in Section 705(a)(2)(B) of the Code shall be treated as a deductible expense.

"Nonrecourse Liability" means any Partnership liability to the extent that no Partner or related Person (within the meaning of Treasury Regulation Section 1.752-4(b)) bears (or is deemed to bear) the economic risk of loss within the meaning of Treasury Regulation Section 1.752-2.

"Notice" means a writing containing the information required by this Agreement and sent by registered or certified mail, postage prepaid, return receipt requested, or sent by commercial delivery service, by hand delivery, or by telecopy, paid for by the sender, to a Partner at the last address or addresses designated for such purpose by such Partner in Article XV(2) or as provided therein, the date of receipt of such registered mail or certified mail or the date of actual receipt of such writing by commercial delivery service, hand delivery or telecopy, being deemed the date of such Notice.

"Notice Certifications" has the meaning set forth in Article III(2)(c).

"Operating Deficit" means at any time or with respect to any period of time, the amount by which the collected gross receipts (including government subsidies actually received during such period) in respect of the Partnership Property (together with other cash and funds on hand of the Partnership, if any) reduced (but not below zero) by debt service payments made, and reserves and deposits established, in accordance with the terms of the Loan Documents or the Project Documents is less than the amount necessary to meet all of the costs and expenses of any type due and payable incidental to the operation and business activities of the Partnership, including, without limitation, taxes, insurance and fees due and payable under any of the Fee Agreements but excluding (i) any cost or expense incurred in connection with the matters described in Article V(13)(b) which becomes due and payable after the Completion Date, (ii) payment of any principal or interest on loans from Partners or under the Loan Documents, (iii) any payment of the Development Fee, (iv) distributions of Net Cash Flow to Partners or (v) reserves and deposits required pursuant to the Loan Documents or the Project Documents.

"Operating Deficit Contribution" has the meaning set forth in Article V(14).

"Operating Reserve Account" means the Segregated Account for operating reserves established in accordance with Article V(17).

"Partner" or "Partners" means the General Partner and the Limited Partner, either individually or collectively.

"Partner Nonrecourse Debt" means any Partnership liability to the extent the liability is nonrecourse for purposes of Section 1.1001-2, and a Partner (or related Person (within the meaning of Treasury Regulation Section 1.752-4(b))) bears (or is deemed to bear) the economic risk of loss under Section 1.752-2.

"Partnership" means Lincoln Glenarm, L.P., a limited partnership formed under and pursuant to the Act.

"Partnership Accounting Year" means the accounting year of the Partnership, ending December 31st of each year.

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

"Partnership Property", means the Partnership's fee simple interest in the land and improvements comprising a project known as Lincoln/Glenarm which contains 7 units in 5 buildings on scattered sites located in Denver, Colorado, the legal

description and street address of which are set forth on Exhibit B attached hereto and made a part hereof, together with such additions or improvements thereto as may hereafter be acquired by the Partnership in accordance with this Agreement.

"Person" means an individual or entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, trust, cooperative, or association and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so admits.

"Project" means the aggregate of all of the individual Units and the common areas located in or around the Partnership Property.

"Project Documents" means the Architect Agreement, Construction Contract, the Fee Agreements, the Guaranty Agreements, Management Agreement and any other document or instrument executed in connection with any of the aforesaid documents.

"Projected Credits" means the aggregate amount of Credits projected to be received by the Limited Partner based upon the projections prepared in accordance with Article III(3)(a).

"Refinancing Proceeds" has the meaning set forth in Article VIII(1)(b).

"Regulatory Agreement" means the Regulatory Agreement dated April 21, 1993, between CHFA and the Partnership (as assignee of the General Partner).

"Regulatory Allocations" has the meaning set forth in Article VII(3)(g).

"Replacement Reserve Account" means the Segregated Account for replacement reserves established in accordance with Article V(18).

"Sale Proceeds" has the meaning set forth in Article VIII(1)(a).

"Segregated Account" means an interest bearing segregated Partnership bank account.

"Special Limited Partner" means Enterprise Community Housing Organization, Inc., a Delaware corporation.

"State" or "state" means all states and the District of Columbia.

"Substitute Limited Partner" means that Person or those Persons admitted from time to time to the Partnership as a Limited Partner or Limited Partners in accordance with the provisions of Article X hereof and so reflected on Exhibit A, as such Exhibit A may be amended from time to time in accordance with this Agreement.

"Tax Matters Partner" means the General Partner.

"Term" means the period of time the Partnership shall continue in existence as stated in Article II(7).

"Title Policy" means that certain title policy issued by First American Heritage Title Company in favor of the Partnership insuring the Partnership's title to the Partnership Property.

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

"Units" mean the individual units of residential rental housing located on the Partnership Property.

2. Generic Terms. Unless the context clearly indicates otherwise, where appropriate the singular shall include the plural and the masculine shall include the feminine or neuter, and vice versa, to the extent necessary to give the terms defined in this Article I and/or the terms otherwise used in this Agreement their proper meanings.

ARTICLE II

Restatement and Continuation; Name; Principal Place of Business; Registered Agent; Title To Partnership Property; Purposes; Term; Filing of Certificate

1. Withdrawal of Joyce Alms-Ransford; Restatement and Continuation of Partnership. Joyce Alms-Ransford hereby withdraws as a limited partner of the Partnership and acknowledges having received a full refund of her Capital Contribution and Banc One Community Development Corporation is hereby admitted as the Limited Partner of the Partnership and Enterprise Community Housing Organization, Inc. is hereby admitted as the Special Limited Partner. The General Partner, the Limited Partner and the Special Limited Partner, constituting all of the Partners of the Partnership, hereby amend and restate the original agreement of Lincoln Glenarm, L.P. in its entirety and continue the Partnership under the Act.

2. Name. The name of the Partnership is "Lincoln Glenarm, L.P."

3. Principal Place of Business. The principal office of the Partnership in the State of Colorado and the office to be maintained pursuant to the Act shall be located at 2100 Broadway, Denver, Colorado 80205. The principal place of business of the Partnership shall be located at 2100 Broadway, Denver, Colorado 80205.

4. Registered Agent. The registered agent for service of process on the Partnership in the State of Colorado shall be John Parvensky, 2100 Broadway, Denver, Colorado 80205.

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

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

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

(b) During the Extended Use Period, operating one hundred percent (100%) of the Units in compliance with the provisions of Section 42 of the Code; and

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

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

7. Term. The term of the Partnership commenced on December 5, 1994, and shall continue until December 31, 2034, unless sooner terminated in accordance with Article XII. Upon termination of the Partnership, the General Partner shall file a certificate of cancellation and take all other actions necessary to terminate the Partnership in accordance with requirements of the Act.

8. Filing of Certificate. Immediately after the execution of this Agreement by the Partners, the General Partner shall, if required, cause the Certificate to be filed as the Partnership's amended and restated certificate of limited partnership in accordance with the Act. The General Partner shall immediately cause a copy of the Certificate, with evidence that the

Certificate was filed in accordance with the Act, to be furnished to the Limited Partner.

ARTICLE III

Partners and Partnership Percentages; Capital Contributions; Adjustments to Capital Contributions; No Interest on Capital Contributions; No Right to Require Repayment of Capital; No Third-Party Beneficiary

1. Identity of Partners and Partnership Percentages. The name and business address of the General Partner, the Limited Partner and the Special Limited Partner are as identified on Exhibit A, as such Exhibit may be amended from time to time in accordance with this Agreement and each such Partner has the Partnership Percentage indicated next to its name and business address.

2. Capital Contributions.

(a) On the Admission Date, the General Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership, by wire transfer or check, that sum set forth after the General Partner's name on Exhibit A and the Special Limited Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership, by wire transfer or check, that sum set forth after the Special Limited Partner's name on Exhibit A.

(b) On the Admission Date, the Limited Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership, by wire transfer or other form of available funds, that sum indicated as due on the Admission Date and set forth after the Limited Partner's name on Exhibit A. The Limited Partner shall make an Additional Capital Contribution in accordance with the schedule of amount and date of payment listed on Exhibit A; provided, however, that the date for payment of the Additional Capital Contribution (i) shall be the Additional Capital Contribution Due Date, and (ii) may be extended in accordance with Article III(2)(d). Except as provided in this paragraph, the Limited Partner shall not be obligated to make any Capital Contribution to the Partnership.

(c) The General Partner shall deliver Notice to the Limited Partner (the "Additional Capital Contribution Notice") of the date on which the Additional Capital Contribution is due no less than forty-five (45) days in advance of the due date of the Additional Capital Contribution, which Notice shall state the amount of the Additional Capital Contribution and, in reasonable detail, the manner of calculation thereof. The General Partner

shall certify on each such Notice that, at the time of the Notice:

(i) The operation of one hundred percent (100%) of the Units in the Project in all respects complies with the provisions of Section 42 of the Code.

(ii) No default (or event which, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any of the Loan Documents or any of the Project Documents which would have a material adverse effect on the Partnership, the Partnership Property or any Partner and the Loan Documents and the Project Documents are in full force and effect.

(iii) The Partnership owns the Partnership Property, the Project, and each of the Units free and clear of any liens, charges, or encumbrances other than the Mortgages, matters set forth in the Title Policy and mechanics' or other liens which have been bonded against in such a manner as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units or the Partnership for the debt secured thereby.

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

(v) The General Partner is not in breach of any provision of this Agreement to be observed or performed by it which breach has a material adverse effect on the Partnership, the Partners or the Partnership Property.

(vi) All Credit Adjuster Advances, Development Advances and Operating Deficit Contributions required to be made by the General Partner pursuant to this Agreement have been made.

(vii) To the best of the General Partner's knowledge, after diligent inquiry, there presently are not, in, on or under the Project: (i) any "hazardous substance" as that term is defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601, et seq. as amended ("CERCLA"), or any other hazardous or toxic substance, waste or material or any other substance or pollutant that poses a risk to human health or the environment, including, but not limited to, petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation, methane gas, polychlorinated biphenyls ("PCBs") or radon, except for ordinary and necessary quantities or office supplies, cleaning materials and pest control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles (the "Hazardous

Materials"); (ii) any underground storage tanks; (iii) accumulations of debris, mining spoil, spent batteries, except for ordinary garbage stored in receptacles for regular removal; (iv) or any other condition which could result in liability for an owner or operator of the Project under any federal, state or local law, rule, regulation or ordinance. In addition, to the best of the General Partner's knowledge, the Project is in compliance with all applicable federal, state and local laws, rules, regulations and ordinances (the "Environmental Laws"), including, but not limited to, CERCLA, the Clean Air Act, the Clean Water Act, the Toxic Substance Control Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Control Act and the Occupational Health and Safety Act, and the General Partner has not received notice of any violations of the Environmental Laws. If any such substance (including lead-based paint and asbestos) or pollutant was found to exist or be present, it has been either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state and local statutes, laws, rules and regulations, any recommendations set forth in the environmental report(s) approved by the Limited Partner and any requirements in the Loan Documents.

(viii) Unless not yet required to be provided, the tax return for the last fiscal year required to be completed in accordance with Article XIII(3)(a)(iv) has been forwarded to the Limited Partner.

(ix) All of the covenants contained in Article V(11) remain true and correct.

The aforesaid certifications (i) - (ix) in this Article III(2)(c) are hereinafter referred to as "Notice Certifications".

(d) Should the General Partner fail to certify that each of the Notice Certifications is true and correct in its Additional Capital Contribution Notice, or should any of the Notice Certifications be in fact untrue, the Additional Capital Contribution Due Date shall be deferred until such time as the General Partner is able to and does certify that each of the Notice Certifications is true, and each of the Notice Certifications is in fact true, and failure to pay such Additional Capital Contribution prior to such time shall not constitute a default of the Limited Partner.

(e) In the event that the Limited Partner fails to pay any portion of the Additional Capital Contribution (as such Additional Capital Contribution may be adjusted in accordance with Article III(3) by the Additional Capital Contribution Due Date (as the same may be deferred pursuant to Article III(2)(d)) and any such failure is not cured within ninety days after

written Notice of such failure, the Limited Partner shall be deemed to be in default of its obligations under this Agreement and the General Partner shall be entitled to take all actions available to the Partnership, including, without limitation, instituting a suit at law or at equity; provided, however, in the event of a Final Determination which provides that the Limited Partner shall pay to the Partnership the Additional Capital Contribution and any accrued interest thereon at the rate of two percent (2%) above the prime rate of interest then in effect at Citibank, N.A., such payment shall constitute the sole remedy of the Partnership under this Article III(2). Notwithstanding any provisions of Article III(2), upon payment of all amounts owed pursuant to the terms of this Article III(2)(e) as a result of the default of a Limited Partner, and provided such payment is received prior to the acquisition by another Person of the defaulting Limited Partner's Interest, the Limited Partner shall be fully reinstated to its former Interest and Partnership Percentage in the Partnership, including, but not limited to, the Limited Partner's former share of distributions, as though a default under this Article III(2)(e) had not occurred.

(f) Subject to the provisions of Article III(2)(e) in the event of a default pursuant to Article III(2)(e), the Partnership may offer to sell the defaulting Limited Partner's Interest to any other Person on such commercially reasonable terms and conditions as the General Partner deems most favorable under the circumstances. Any amount which the Person acquiring the Interest of the defaulting Limited Partner shall pay in consideration of the acquisition of such Interest shall be applied in the following order: first, to the payment of all reasonable fees and expenses incurred by the Partnership in connection with such sale; second, to the payment of the Additional Capital Contribution plus any interest thereon at the rate of two percent (2%) above the prime rate of interest then in effect at Citibank, N.A. then required to be paid by the defaulting Limited Partner; and third, any balance to the defaulting Limited Partner. A sale under this Article III(2)(f) may be made to the General Partner or any Affiliate thereof only if the sale price is not less than the fair market value of the Limited Partner's Interest, taking into consideration the value of the Credits and other tax benefits. Fair market value shall be determined by a mutually agreeable appraiser, the cost of which shall be borne by the parties equally, or if the parties cannot agree, then by the average of three appraisals, one obtained by each party and one from an appraiser selected by the parties' respective appraisers, the cost of the parties' respective appraisers to be borne by the parties respectively and the cost of the third appraiser to be borne by the parties equally.

(g) The obligations of a defaulting Limited Partner to the Partnership shall be extinguished upon completion of the

transfer of the defaulting Limited Partner's Interest to a purchaser described in Article III(2)(f); provided, however, that the obligation of the defaulting Limited Partner to make Additional Capital Contributions shall only be extinguished by, and to the extent of, the aggregate of payments to be made by the purchaser or purchasers of the defaulting Limited Partner's Interest.

(h) In the event of a dispute between the Limited Partner and the General Partner and/or the Partnership as to the obligation to make, or the amount of, the Additional Capital Contribution, the Limited Partner may (but shall not be obligated to) deposit such Additional Capital Contribution in an escrow account pending a resolution of such dispute. In the event that the Limited Partner so deposits such Additional Capital Contribution or disputed amount thereof in an escrow account, the Limited Partner shall not be in default under Article III(2)(e) and the Partnership and/or the General Partner shall not be entitled to exercise any of the rights or remedies contained in Article III(2)(e), (f) or (g).

3. LIH Adjustments to Capital Contributions.

(a) After the Project is placed in service, but prior to the due date of the Limited Partner's Additional Capital Contribution, the Partnership and the Accountant's shall prepare projections of the Projected Credits based upon the basis of the Project (as determined by the Accountants based on the final cost certification of the Project) and the credit percentage at the time the Project is placed in service or such other credit percentage as is anticipated by the Accountants to be applicable. If the Projected Credits are less than \$429,290, the amount of all Capital Contributions shall be adjusted by multiplying all Capital Contributions in Exhibit A by the percentage that the Projected Credits bears to \$429,290. Any decrease in the Capital Contributions which is attributable to Capital Contributions already made will be subtracted from the next succeeding Capital Contribution. In addition, the total benefit number in Articles VII(2)(a)(ii) and VIII(3)(c) shall be adjusted in accordance with the Projections prepared in accordance with this Article III(3)(a).

(b) In the event the portion of Credit to be allocated to the Limited Partner which the Partnership claims with respect to any taxable year though 2000 is less than 95% (or 100% in the event the shortfall is a result of the failure of the Partnership to rent the Units to qualifying tenants) of the Projected Credits for that year, and/or the Partnership or the Accountants determine that the Partnership must recapture more than five percent (5%) of the Credit allocated to the Limited Partner which the Partnership claimed in any previous taxable year, the General Partner shall immediately make a Credit Adjuster Advance to the

Partnership equal to the LIH Reduction Amount, and the Partnership shall make a special distribution to the Limited Partner in an equal amount.

(c) If there remains any LIH Reduction Amount after the year 2000, such amount shall be added to the Credit Deficiency which is payable out of Sale Proceeds or Refinancing Proceeds pursuant to Article VIII(1)(a) and Article VIII(1)(b), respectively.

4. Additional Credit Adjuster Advances. If the amount of the Additional Capital Contribution is reduced by reason of Article III(3)(a) or (b), the General Partner shall advance to the Partnership, in addition to any Credit Adjuster Advances required by Article III(3), a Credit Adjuster Advance equal to the lesser of (i) the amount of such reduction, or (ii) the portion of the Deferred Development Fee payable in such taxable year. The amount of any Credit Adjuster Advance made by reason of this Article III(4) shall be advanced to the Partnership prior to the due date of payment of the Deferred Development Fee and used by the Partnership to pay the amount of the Deferred Development Fee for that taxable year.

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

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

7. Deficit Restoration. If, upon liquidation of the General Partner's Interest (whether or not in connection with the liquidation of the Partnership), the General Partner has a negative balance in its Capital Account (as determined after taking into account Capital Account adjustments pursuant to Article VII(1) as well as adjustments for the Partnership taxable year during which the liquidation of the General Partner's Interest occurs, other than those for contributions made pursuant to this Article III(7), then the General Partner shall be required to contribute to the capital of the Partnership, immediately prior to the liquidation of the General Partner's Interest, the amount necessary to restore its Capital Account to zero. Such contributions shall be receipts of the Partnership available for payment of operating expenses of the Partnership or distribution to the Partners, in accordance with the terms of

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

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

ARTICLE IV

Right to Mortgage; General Partner Bound by Loan Documents

1. Right to Mortgage. The Partnership shall be authorized to borrow from the Mortgagees whatever amounts may be required, subject to the provisions hereof, in connection with the acquisition, development and rehabilitation of the Partnership Property and to meet the expenses of operating the Project (including, without limitation, any items for which the Mortgagees may provide Mortgage funds) and shall secure the same by the Mortgages; provided that such borrowing shall not at any given time exceed the amount of unpaid principal due, nor be at a higher interest rate, nor change the payment terms, under the initial Mortgage Notes. The Mortgages shall provide that no Partner shall have any personal liability for the payment of all or any part of such Mortgage Notes.

2. General Partner Bound by Loan Documents. The General Partner shall be bound by the terms of the Loan Documents and the Project Documents. Any incoming General Partner shall as a condition of receiving any Interest agree to be bound by the Loan Documents and the Project Documents to the same extent and on the same terms as the other General Partner.

ARTICLE V

Rights, Powers and Obligations of the General Partner

1. Authority of General Partner.

(a) Subject to the terms of this Agreement, the General Partner shall have the right, power, and authority, acting for and on behalf of and in the name of the Partnership, to: (i) execute and deliver on behalf of the Partnership any contract, agreement, or other instrument or document required or otherwise appropriate to acquire, construct, renovate, improve, lease, operate, sell, encumber, mortgage, convey, or refinance the Partnership Property (or any part thereof); (ii) convey the Partnership Property by deed, mortgage, certificate, bill of sale, agreement, or otherwise, as appropriate; and (iii) bring, compromise, settle, and defend actions at law or in equity.

(b) Except for items for which a vote or consent of the Limited Partner is required, all decisions made for and on behalf of the Partnership by the General Partner shall be binding upon the Partnership. Except as expressly otherwise set forth in this Agreement, the General Partner (acting for and on behalf of and in the name of the Partnership), in extension and not in limitation of the rights and powers given it by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority, in the management of the Partnership's business, to do any and all acts and things necessary, proper, ordinary, customary or advisable to effectuate the purposes of the Partnership. In furtherance and not in limitation of the foregoing provisions of this Article V and of the other provisions of this Agreement, the General Partner is, as is more fully set forth in Article V(1)(a), specifically authorized and empowered to execute any and all instruments and documents as shall be required by any lender in connection with any loan or loans, including but not limited to executing the Mortgages, Mortgage Notes, any contract, building loan agreement, bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith, all of which must be in accordance with this Agreement.

2. Limitations on the Authority of the General Partner.

Notwithstanding any other provision of this Agreement, the General Partner shall have no authority to perform any act in violation of any applicable law or regulations, the Loan Documents, or the Project Documents; or to do any act required to be approved, consented to, voted on, or ratified by the Limited Partner under the Act or under this Agreement unless such approval, vote, consent, or ratification has been obtained; or to

cause the Partnership to engage in any business other than as set forth in Article II(6); or do any act which would make it impossible to carry out the business of the Partnership as contemplated herein. The General Partner shall have no authority to engage in the following activities without the prior written affirmative vote of the Limited Partner and, if required, the consent of the Mortgagees:

(a) Effect a sale of all or any portion of the Partnership Property or the Units;

(b) Except for the Mortgages and the Mortgage Notes, effect a refinancing, encumbrance, mortgage, conveyance, or other disposition of all or a substantial portion of the Partnership Property;

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

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

(e) Following the Completion Date, construct any new capital improvements or replace any existing capital improvements;

(f) Acquire any real property in addition to the Partnership Property (other than easements or similar rights necessary or convenient for the operation of the Project);

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

(h) Incur debt not in the ordinary course of business, nor incur debt in the ordinary course of business in excess of Twenty Thousand Dollars (\$20,000) in the aggregate at any one time outstanding, except as specifically permitted in this Agreement;

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

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

(k) Dissolve or wind up the Partnership;

- (l) Confess any judgment;
- (m) Modify or amend this Agreement except in accordance with Article XV(1) hereof;
- (n) Prepay the Mortgage Notes;
- (o) Admit any Person as a Partner, other than as permitted pursuant to Articles IX or X;
- (p) Make any election under the Code relating to the amount, timing or availability of Credits, except that the General Partner shall elect to begin the "credit period" (as such term is defined in section 42(f)(1) of the Code) in 1995 and may elect to use the "40-60 test" (as such term is defined in section 42(g)(1)(B)); or
- (q) Employ a Management Agent other than CCH or an Affiliate.

3. Overall Management of Business.

(a) The General Partner shall have full and exclusive power and right to manage and control the business and affairs of the Partnership. Any action required or permitted to be taken by the General Partner hereunder may be taken by such of its proper officers or agents as it shall validly designate and duly authorize for such purpose.

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

(c) The General Partner shall prepare or cause to be prepared all tax and information returns required of the Partnership or considered necessary by the General Partner (including, but not limited to, federal, state, and local income tax and information returns and any amended returns), which returns shall be reviewed in advance by the Accountants. The General Partner shall, after consultation with the Limited Partner, be responsible for making all elections required or allowed under the Code or the Treasury Regulations including, but not limited to, elections pursuant to Sections 42, 168, 709, and 754 of the Code, and all elections required or allowed under State or local law. To the extent possible, no election shall be made which would create a benefit to the General Partner and a detriment to the Limited Partner.

4. Duty of the General Partner to Maintain the Low Income Housing Status of the Partnership Property.

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

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

(c) The General Partner shall use its best efforts to develop strategies to maintain 100% of the Units as low income housing after the end of the Compliance Period for the Extended Use Period and thereafter.

5. Outside Activities. The General Partner shall devote to the management of the business of the Partnership so much of its time as it deems reasonably necessary to the efficient operation of the Partnership Property, the Project, and the Units and in order to comply with this Agreement. The General Partner may engage in and possess any interest in other business ventures (including limited partnerships) of every kind, nature and description whatsoever, independently or with others, whether existing at the date hereof or hereafter coming into existence, including, without limitation, acting as general partner or limited partner of other partnerships which own, directly or through interests in other partnerships, housing projects similar to, or in competition with, the Project. Neither the Partnership nor the Partners shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom and nothing shall be construed to render them partners in any such business venture.

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

7. Indemnification of General Partner.

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

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

(c) Notwithstanding anything contained in this Article V(7), the General Partner shall not be indemnified or saved harmless from any liability, loss, damage, cost, or expense incurred by it in connection with: (i) civil or criminal penalties or fines imposed by law; (ii) any claim or settlement involving the allegation that federal or state securities laws were violated by the General Partner or the Partnership; or (iii) any claim involving any category of claims listed in Article V(7)(a)(i), unless (a) the General Partner is successful in

defending such action on the merits; (b) such claims have been dismissed in favor of the General Partner with prejudice on the merits by a court of competent jurisdiction; or (c) a court of competent jurisdiction approves a settlement and determines that the General Partner is entitled to costs.

(d) The provision of advances from the Partnership to the General Partner for reasonable legal expenses and other costs as a result of a legal action pursuant to Article V(7)(e) is permissible only if the following three conditions are satisfied: (1) the legal action relates to the performance of the duties or services by the General Partner on behalf of the Partnership; (2) the legal action is initiated by a third party who is not a Partner or Affiliate thereof; and (3) the General Partner covenants in advance to repay the advance of funds to the Partnership in accordance with Article V(7)(e) in the event it is determined that the General Partner is not entitled to indemnification hereunder.

(e) The General Partner, when entitled to indemnification pursuant to this Article V(7), shall be entitled to receive, upon application therefor, reasonable advances to cover the costs of defending any proceedings against it; provided, however, that the General Partner agrees that if it receives such advances, it shall repay such advances to the Partnership, with interest thereon, at an annual rate equal to two percent (2%) above the prime rate of interest then in effect at Citibank, N.A., computed on a daily basis, from the date made until repaid, if the General Partner is determined not to be entitled to indemnification under this Article V(7). All rights of the General Partner to indemnification shall survive the dissolution of the Partnership and the death, retirement, incompetency, insolvency, bankruptcy, or withdrawal of the General Partner.

(f) The indemnification rights contained in this Article V(7) shall be limited to out-of-pocket loss or expense. Nothing contained herein shall constitute a waiver by the Limited Partner or its Affiliates of any right which it may have against any party under federal, state, or common law principles.

(g) The indemnification authorized by this Article V(7) shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

8. Indemnification of Partnership and Limited Partner. The General Partner shall defend, indemnify, and save harmless (i) the Partnership and each Partner from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or

proceeding arising out of the General Partner's gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant, or agreement set forth in this Agreement, breach of fiduciary duty, or actions performed outside the scope of the authority of the General Partner pursuant to this Agreement, and (ii) the Limited Partner from any liability incurred by it for Partnership obligations (including, without limitation, the Mortgage Notes) in excess of its Capital Contributions, except to the extent that a Final Determination has been made that the Limited Partner has taken any actions or exercised any rights with respect to the operation of the Partnership in excess of those actions and rights granted or allowed under this Agreement or the Act. The foregoing indemnification shall be a recourse obligation of the General Partner, and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, insolvency, bankruptcy, or withdrawal of the General Partner. The indemnification authorized by this Article V(8) shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action. Notwithstanding the foregoing, the obligation of the General Partner to indemnify the Partnership and the Limited Partners pursuant to this Article V(8) shall not include any liability which the Partnership or the Limited Partners may incur resulting from, or caused by, the acts and omissions of any other General Partner subsequent to the retirement, withdrawal, or removal of the General Partner.

9. Environmental Indemnification. The General Partner agrees to indemnify and hold harmless the Limited Partner and any partner of the Limited Partner (the "Indemnified Parties") from any and against all claims, actions, causes of action, liability and expense (including, without limitation, attorney's fees, court costs and remedial response costs) incurred or suffered by, or asserted by any person, entity or governmental agency against the Indemnified Parties due to breach of the General Partner's representations, warranties or covenants contained in Article V(10)(l) or V(11)(m), or a violation of the Environmental Laws, or the presence of Hazardous Materials in, on or under the Project. The foregoing indemnification shall be a recourse obligation of the General Partner and shall (to the full extent permitted by law) survive the dissolution of the Partnership and the death, dissolution, retirement, incompetency, insolvency, bankruptcy or withdrawal of the General Partner of the Partnership. The indemnification authorized by this Article V(9) shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

10. Representations and Warranties of the General Partner. The General Partner hereby represents and warrants to the Limited Partner that the following are true and correct as of the date hereof and will be true and correct for the Term, unless specifically otherwise provided:

(a) The General Partner has obtained a 1993 final allocation of Credit in the annual amount of at least \$1,561 and a 1993 carryover allocation of Credit from the Authority in the annual amount of at least \$41,820 and such allocation is in full force and effect and available to the Partnership.

(b) No litigation, action, investigation, event, or proceeding is pending or, to the best of its knowledge, is threatened which, if adversely resolved, would: (i) have a material adverse effect on the Partnership or the Partnership Property; (ii) have a material adverse effect on the ability of the General Partner or any of its Affiliates to perform their respective obligations under this Agreement; (iii) have a material adverse effect on the financial condition of the General Partner; or (iv) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Agreement.

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

(d) All building, zoning, and other applicable certificates, permits, and licenses necessary to permit the rehabilitation, use, occupancy, and operation of the Partnership Property and the Project have been obtained (other than such as will be issued only after the completion of the Project or any specified portion thereof) and neither the Partnership nor the General Partner has received any notice of or has any knowledge of any violation with respect to the Partnership Property of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction which would have a material adverse effect on the Partnership Property or the Project or the construction, rehabilitation, use, occupancy, or operation thereof.

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

(f) As of the date of this Agreement, except for the loan from CCH, there are no outstanding loans or advances from the General Partner or its Affiliates to the Partnership, and the Partnership has no unsatisfied obligation to make any payments of any kind to the General Partner or its Affiliates.

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

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

(i) All consents or approvals of any governmental authority, or any other Person, necessary in connection with the transactions contemplated by this Agreement or necessary to admit the Limited Partner to the Partnership, have been obtained by the General Partner.

(j) All appropriate roadways and public utilities necessary to the operation of the Partnership Property, including, but not limited to, sanitary and storm sewers, water, gas (if applicable), and electricity, are available to and are connected to the Partnership Property and each of the Units.

(k) All Loan Documents and Project Documents are in material accord with applicable laws, codes and regulations and the rehabilitation of the Partnership Property will be completed in accordance therewith.

(l) To the best of the General Partner's knowledge, after diligent inquiry, there presently are not, in, on or under the Project: (i) any "hazardous substance" as that term is defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. section 9601, et seq. as amended ("CERCLA"), or any other hazardous or toxic

substance, waste or material or any other substance or pollutant that poses a risk to human health or the environment, including, but not limited to, petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation, methane gas, polychlorinated biphenyls ("PCBs") or radon, except for ordinary and necessary quantities or office supplies, cleaning materials and pest control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles (the "Hazardous Materials"); (ii) any underground storage tanks; (iii) accumulations of debris, mining spoil, spent batteries, except for ordinary garbage stored in receptacles for regular removal; (iv) or any other condition which could result in liability for an owner or operator of the Project under any federal, state or local law, rule, regulation or ordinance. In addition, to the best of the General Partner's knowledge, the Project is in compliance with all applicable federal, state and local laws, rules, regulations and ordinances (the "Environmental Laws"), including, but not limited to, CERCLA, the Clean Air Act, the Clean Water Act, the Toxic Substance Control Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Control Act and the Occupational Health and Safety Act, and the General Partner has not received notice of any violations of the Environmental Laws. If any such substance (including lead-based paint and asbestos) or pollutant was found to exist or be present, it has been either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state and local statutes, laws, rules and regulations, any recommendations set forth in the environmental report(s) approved by the Limited Partner and any requirements in the Loan Documents.

(m) No event has occurred which has caused, and the General Partner has not acted in any manner which will cause (i) the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (ii) the Partnership to fail to qualify as a limited partnership under the Act, or (iii) the Limited Partner to be liable for Partnership obligations in excess of its Capital Contributions as made in accordance with the terms of this Agreement.

(n) The Partnership is under no obligation under any federal or state law, rule, or regulation to register the Interests or to comply with any exemption available for the sale of interests without registration.

(o) The General Partner has delivered to the Limited Partner a Lead Paint & Asbestos Report prepared by Havelick & Associates, Ltd. The Limited Partner has approved and accepted the report.

(p) The General Partner has delivered to the Limited Partner true copies of all documents material to the Limited Partner's investment in the Partnership and true copies of all amendments to such documents.

(q) No portion of the Partnership Property is or will be treated as "tax-exempt use property" as defined in Section 168(h) of the Code.

(r) The General Partner complied with the requirements of Section 42(h)(1) of the Code, including, without limitation, the requirement that the basis of the Project as of December 31, 1993, equaled more than 10% of the reasonably anticipated basis of the Project as of December 31, 1995.

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

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

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

(v) No portion of the Partnership Property is funded by HUD.

(w) To the best knowledge of the General Partner, the fair market value of the Property is at least equal to the

outstanding balance of the Mortgage Loans including accrued interest.

(x) The Partnership is a duly organized limited partnership validly existing and in good standing under the laws of the State of Colorado and has all necessary power and authority to acquire the Partnership Property and to develop, rehabilitate, operate and maintain the Project in accordance with the terms of this Agreement.

(y) There are no restrictions on the sale or refinancing of the Project, other than the restrictions set forth in the Loan Documents, Section 42 of the Code and the tax credit allocation documents.

(z) The Project is located in a "qualified census tract" as such term is defined in Section 42(d)(4)(C) of the Code.

(aa) At least ten (10) years elapsed between the date of the acquisition of the Partnership Property by the Partnership and the later of (i) the date on which the Property was last placed in service or (ii) the date of the "most recent non-qualified substantial improvement" of the Property, within the meaning of Section 42(d)(2)(B) of the Code.

(bb) The Partnership Property was not previously placed in service by the Partnership or a Person related to the Partnership within the meaning of Section 42(d)(2)(B) of the Code.

(cc) The Partnership acquired the Partnership Property by "purchase" as such term is defined in Section 179(d)(2) of the Code.

(dd) As of the Admission Date, the Project is one hundred percent (100%) leased to and occupied by tenants qualifying under Section 42 of the Code.

(ee) The wood floors in the Glenarm Street properties, which are referred to on page 5 of the Lead Paint & Asbestos Report dated June 7, 1993, prepared by Havelick & Associates, Ltd., have been covered with adequate encapsulating materials such as plywood or sheet vinyl floor covering or both, as recommended in the report.

11. Covenants of the General Partner. The General Partner covenants to the Limited Partner that for the Term:

(a) The General Partner shall at all times maintain a positive net worth sufficient to meet its obligations under this Agreement and to ensure that the Partnership will be classified

for federal income tax purposes as a partnership and not as an association taxable as a corporation, and shall take any and all actions as may be necessary from time to time to maintain such net worth.

(b) The General Partner shall at all times during the Compliance Period and Extended Use Period rent 100% of the Units to qualifying low-income tenants, charge such tenants rental rates no greater than permitted under Section 42 of the Code, and in all other respects comply with the provisions of Section 42 of the Code. The General Partner shall cause the Partnership to elect under Section 42(f)(1) of the Code to have the "credit period" (as that term is defined in Section 42(f)(1) of the Code) begin in 1995.

(c) The General Partner agrees that neither it nor any of its Affiliates will at any time become subject to any economic risk of loss within the meaning of Treasury Regulation Section 1.752-2 with respect to any Mortgage Note. The General Partner agrees that it will not cause the Limited Partner to become, and it will take all steps necessary to prevent the Limited Partner at any time from becoming, personally liable for payment or performance under the Mortgage Notes or the Mortgages.

(d) Prior to the exercise of any of the voting rights of the Limited Partner required by this Agreement, the Limited Partner shall have the right to obtain an opinion of counsel stating that the exercise of such voting rights will not constitute taking part by the Limited Partner in the control of the Partnership's business. The cost of obtaining such an opinion will be borne by the Limited Partner. If the opinion concludes that the exercise of such voting rights by the Limited Partner will constitute taking part in the control of the Partnership business, the General Partner shall not take the action which was proposed to be voted on by the Limited Partner unless authorized by an amendment to this Agreement in accordance with Article XV(1).

(e) The General Partner will cause the Partnership to maintain (i) comprehensive general liability insurance with financially sound insurers with an A.M. Best Co. rating of A or better in a minimum amount of \$1,000,000 for bodily injury and property damage for any single occurrence; (ii) fire and all risk hazard insurance in an amount equal to the replacement value of the Partnership Property for property damage; (iii) such other insurance on the Partnership Property against risks which are of a character usually insured by Persons engaged in a similar business and in form and amount and covering such risks as is usually carried by such Persons; provided, however, that, in addition to such requirements, the Partnership shall at all times comply with the insurance requirements imposed by the Mortgages; and (iv) title insurance in the minimum amount of the

Limited Partner's Capital Contributions and the Mortgage Notes. All insurance policies required hereby shall be continuously in full force and effect during the term of the Partnership and the Limited Partner shall be named as an additional insured on each such policy. The General Partner has delivered to the Limited Partner copies of the comprehensive general liability insurance certificates, which certificates have been approved and accepted by the Limited Partner.

(f) The General Partner shall cause the rehabilitation to be completed substantially in accordance with the Construction Contract and plans and specifications. The General Partner shall obtain all building, zoning, and other applicable certificates, permits, and licenses necessary to permit the rehabilitation, use, occupancy, and operation of the Partnership Property and the Project that are obtainable only after completion of the Partnership Property and the Project or a specified portion thereof.

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

(h) The General Partner will cause the Partnership Property, including each of the Units, to be operated in compliance with all applicable zoning regulations, ordinances, and subdivision laws, rules, and regulations.

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

(j) The General Partner will cause the Partnership to keep all public utilities necessary to the operation of the Partnership Property, including, but not limited to, sanitary and storm sewers, water, gas (if applicable), and electricity, operating in working condition, to the extent required by law and pursuant to the residential lease agreement of any of the Units; provided, however, the General Partner shall not be responsible for providing such utilities if they are unavailable because of strikes, acts of terrorism or acts of God.

(k) The General Partner shall not act in any manner which will cause (i) the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (ii) the Partnership to fail to qualify as a limited partnership under the Act, or (iii) the Limited Partner to be liable for Partnership obligations in excess of its Capital Contributions as made in accordance with the terms of this Agreement.

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

(m) The General Partner covenants and agrees to take all necessary action within its control to ensure that the Project is in compliance with the Environmental Laws at all times and that the Project remains free from the presence of any Hazardous Materials in, on or under the Project. The General Partner shall promptly deliver any notice it may receive of any violation of the Environmental Laws to the Partnership and the Limited Partner. At any time during the term of the Partnership that the General Partner or the Limited Partner determine that the representations contained in Article V(10)(l) may not have been true when made, or may have become untrue, the Partnership shall promptly obtain an environmental audit of the Project. The scope of such audit and the company performing it shall be determined by the General Partner with the consent of the Limited Partner.

(n) The General Partner shall take all actions necessary or required to maintain the Partnership in good standing in the State of Colorado, including, without limitation, the making of all necessary filings.

(o) The General Partner shall use funds of the Partnership attributable to Capital Contributions, Credit Adjuster Advances made pursuant to Article III(3) or (4), or Fee Guarantee Advances prior to any other Partnership funds to pay the Development Fee. Nothing in this Article V(11)(o) is intended to affect the obligation of the General Partner to make such Credit Adjuster Advances or Fee Guarantee Advances.

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

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

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

(s) For each month until one year after the Completion Date, the General Partner shall complete and forward to the

Limited Partner a Monthly Construction and Lease-Up Status Report (a form of which is attached hereto as Exhibit I).

(t) The General Partner shall require all tenants in the Project to enter into leases having a minimum initial term of at least six (6) months, or such longer period as may be required to comply with the requirements of Section 42 of the Code.

12. No Salary. Except for the partnership management services fee, the General Partner shall not be entitled to receive any salary in connection with its performance of its duties as General Partner.

13. Obligation to Complete Construction and Rehabilitation.

(a) The General Partner shall complete the construction and rehabilitation of the Partnership Property or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's, or similar liens, and shall equip the Partnership Property or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, all in accordance with the Loan Documents and the Construction Contract, and the plans and specifications, and shall provide for, or cause to be provided for, all other actions and performance required to complete construction in conformity with the Loan Documents and Project Documents.

(b) If the Designated Proceeds are insufficient to:

(i) complete the construction and rehabilitation of the Project or cause the same to be completed in a good and workmanlike manner, free and clear of all mechanics', materialmen's, or similar liens, and equip the Partnership Property or cause the same to be equipped, all in accordance with the Loan Documents, the Project Documents, the Construction Contract, and the plans and specifications;

(ii) discharge all Partnership liabilities and obligations arising out of any casualty giving rise to insurance proceeds; and

(iii) pay or provide for all requirements of the ongoing business operations of the Partnership, including all obligations, expenses, costs, liabilities, or expenditures in respect thereof, applicable to the period prior to the Completion Date;

the General Partner shall advance or cause to be advanced as a contribution to capital to the Partnership from time to time as

needed such funds ("Development Advances") as are required to pay such deficiencies.

(c) As used herein, the term "Designated Proceeds" shall mean: (i) proceeds of the Mortgage Notes; (ii) insurance proceeds arising out of casualties as available from time to time; and (iii) Capital Contributions due prior to the Completion Date.

14. Operating Deficit Contributions. If, at any time or from time to time after the Completion Date, an Operating Deficit exists, then the General Partner shall contribute funds (an "Operating Deficit Contribution") to the Partnership as a contribution to capital in an amount equal to the amount of the Operating Deficit; provided, however, the obligation of the General Partner pursuant to this Article V(14) shall be limited to the maximum cumulative amount of \$80,000. The obligation of the General Partner to make Operating Deficit Contributions shall terminate when the following conditions have been satisfied: (i) the balance in the operating reserve account described in Article V(17) hereof equals or exceeds \$57,000; and (ii) the Project has operated at Break-even for at least three (3) consecutive calendar years after the date on which the balance in the operating reserve account equals \$57,000. Operating Deficit Contributions shall be repayable, without interest, solely as provided in Article VIII hereof.

15. Fee Guarantee Advances. If as of the date that any installment of the Development Fee is due (i) there is a continuing deferral of the Additional Capital Contribution Due Date pursuant to Article III(2)(d), or (ii) the Limited Partner has deposited any Additional Capital Contribution in an escrow account pursuant to Article III(2)(h), the General Partner shall make a Fee Guarantee Advance to the Partnership equal to the excess of (x) the amount of the Development Fee for the taxable year, over (y) the amount of any Credit Adjuster Advance made pursuant to Article III(4) for the year. The amount of any Fee Guarantee Advance shall be advanced to the Partnership prior to the due date of the Development Fee and used by the Partnership to pay the amount of the Development Fee for the taxable year. As soon as the Additional Capital Contribution has been made or paid to the Partnership from the escrow account, there shall be specially distributed to the General Partner (neither to reduce nor to be limited by Net Cash Flow) an amount equal to the lesser of the amount of (i) all unrepaid Fee Guarantee Advances or (ii) the Additional Capital Contribution. No amount of any Fee Guarantee Advance shall be distributed to the General Partner except as provided in this Article V(15).

16. Dealing with Affiliates. The General Partner may, for, in the name and on behalf of, the Partnership, enter into agreements or contracts for performance of services for the

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

17. Operating Reserves.

(a) The General Partner shall establish an Operating Reserve Account in the name of "Lincoln Glenarm, L.P." The Operating Reserve Account shall be established as a joint signature account so that no amounts may be withdrawn from the account without the written authorization of both the General Partner and the Special Limited Partner.

(b) The Operating Reserve Account shall be funded from the following sources:

- (i) The amount, if any, that actual costs are less than budgeted total costs for the non-Credit items shown on Exhibit J;
- (ii) Net Cash Flow as deemed reasonable by the General Partner; and
- (iii) \$56,264 from the Capital Contributions of the Limited Partner as follows:
 - (aa) \$23,882 on the date the Limited Partner makes its first Additional Capital Contribution; and
 - (bb) \$32,382 on the date the Limited Partner makes its second Additional Capital Contribution.

(c) The funds in the Operating Reserve Account shall be used to pay the operating costs and expenses of the Partnership to the extent the Partnership's collected gross receipts are insufficient for such purpose.

(d) Withdrawals from the Operating Reserve Account shall be made only in accordance with this Article V(17)(d). If the General Partner determines that a withdrawal from the Operating Reserve Account is necessary to fund operating costs and expenses of the Partnership, the General Partner shall forward to the Special Limited Partner a bank withdrawal certificate, together with such additional materials as the

General Partner deems necessary in support of its request for such withdrawal. The Special Limited Partner shall review the certificate and materials to confirm that the withdrawal of funds from the Operating Reserve Account is necessary to pay for operating costs and expenses of the Partnership. If the Special Limited Partner confirms that the withdrawal of all or part of the amount stated in the certificate is necessary, the Special Limited Partner shall execute the certificate and return it to the General Partner. If the Special Limited Partner cannot confirm that such withdrawal is necessary, the Special Limited Partner shall notify the General Partner of such decision within seven (7) days of its receipt of the certificate from the General Partner.

(e) In the event a dispute arises between the General Partner and the Special Limited Partner as to the necessity of a withdrawal from the Operating Reserve Account, the issue shall, upon the request of either the General Partner or the Special Limited Partner, be submitted to and settled by arbitration in the State of Colorado pursuant to the rules then in effect of the American Arbitration Association. Any arbitration decision shall be final and conclusive upon the Partners and a judgment thereon may be entered in the highest court of the forum, state or federal, having jurisdiction. The expenses of the arbitration shall be borne by the Partnership. If the General Partner advances funds to the Partnership to pay for costs that are the subject of a dispute submitted to arbitration pursuant to this paragraph, and the arbitration matter is decided in favor of the General Partner, the General Partner shall be entitled to the reimbursement of its advance made for the purpose of paying the disputed costs plus interest on the advance at the rate of two percent (2%) above the prime rate of interest then in effect at Citibank, N.A. The reimbursement of the advance plus interest shall be made from the Operating Reserve Account.

18. Replacement Reserves. The General Partner shall establish and maintain a Replacement Reserve Account with CHFA as required under the Regulatory Agreement. The General Partner shall make deposits into the Replacement Reserve Account in the greater of: (i) such amount as required under the Regulatory Agreement or (ii) \$250 per Unit per year increasing by four percent (4%) per year. In the event that CHFA eliminates its requirement for maintaining a replacement reserve, the General Partner shall nevertheless deposit \$250 per Unit per year (increasing by four percent (4%) per year) into the Replacement Reserve Account. The funds in such reserve shall be used solely for repairs and/or replacement of the capital assets of the Partnership.

19. Obligation to Purchase Interest of Limited Partner.

(a) The General Partner shall be obligated, as provided in Article V(19)(b), to purchase the Limited Partner's Interest for a sum equal to the total Capital Contribution made by the Limited Partner if the General Partner does not satisfy the conditions precedent for the payment of the Limited Partner's first Additional Capital Contribution set forth on Exhibit A on or before July 1, 1995.

(b) Upon the occurrence of the event specified in Article V(19)(a), the General Partners shall, within ten days thereafter, give Notice to the Limited Partner of the occurrence of such event and of the General Partner's obligation to purchase the Limited Partner's Interest. The Limited Partner may, by Notice to the General Partner within thirty days after the General Partner's Notice, elect to require the General Partner to purchase the Limited Partner's Interest. If the Limited Partner elects to have its Interest purchased, the General Partner shall purchase such Interest within ten days after Notice from the Limited Partner of its election to have its Interest purchased. The Limited Partner may unconditionally waive at any time its right to require the General Partner to purchase its Interest by reason of the application of Article V(19)(a). After such waiver the General Partner shall have no further obligation to purchase by reason of the application this Article V(19).

ARTICLE VI

Rights and Obligations of Limited Partner
and the Special Limited Partner

1. Management of the Partnership. No Limited Partner shall take part in the management or control of the business of the Partnership or transact any business in the name of the Partnership. 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.

2. Limitation on Liability of Limited Partner. Notwithstanding any other provision of this Agreement, the liability of the Limited Partner shall be limited to its Capital Contributions at any given time as and when payable under the provisions of this Agreement. No Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities, obligations, debts or contracts of the Partnership, nor shall any Limited Partner be personally liable for any liabilities, obligations, debts or contracts of the Partnership, except as mandated under the Act. No Limited Partner shall be obligated to make loans to the Partnership.

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

4. Execution of Amendments. The Limited Partner agrees to sign and acknowledge any amendment to this Agreement adopted in accordance with the terms of this Agreement and to execute whatever further instruments shall be necessary or appropriate in connection therewith. The General Partner shall cause the due execution, acknowledgment, and filing for record of any such amendment or further instruments in accordance with the Act, and shall cause a copy of the endorsed copy thereof to be furnished to the Limited Partner.

5. Special Limited Partner. The Special Limited Partner shall have the following rights and responsibilities which it shall exercise in such manner as it reasonably deems appropriate:

(a) to consult with the General Partner concerning the use of the Operating Reserve Account and to review requested withdrawals from the Operating Reserve Account in accordance with Article V(17);

(b) to approve Accountants and counsel selected by the General Partner for the Partnership;

(c) to consult with and advise the General Partner in preparing all Partnership reports to the Partners; and

(d) to consult with and advise the General Partner as to tax matters, including the review of the Partnership's tax returns and Partnership financing.

ARTICLE VII

Allocations of Profits and Losses

1. Maintenance of Capital Accounts. A separate capital account (a "Capital Account") shall be maintained for each Partner. For purposes of the foregoing, the Partners hereby agree that the fair market value of the Partnership Property as of the Admission Date is equal to the Partnership Property's adjusted basis. Such Capital Accounts shall be maintained and adjusted as the General Partner determines, after consultation with the Limited Partner, in accordance with Treasury Regulation Section 1.704-1(b).

2. Profits and Losses.

(a) After giving effect to the special allocations set forth in Article VII(3), the Net Profits, Net Losses, Loss and credits of the Partnership shall be allocated 1% to the General Partner, 0.01% to the Special Limited Partner and 98.99% to the Limited Partner; provided, however, that Gain shall be allocated among the Partners as follows:

(i) First, to the Limited Partner until the balance in the Limited Partner's Capital Account equals the sum of (A) if the Credit Deficiency is more than five percent (5%) (or 0% if such Credit Deficiency was caused by the failure of the Partnership to rent the Units to qualified low-income tenants) of the Projected Credits, any unpaid Credit Deficiency and Interest Adjustment, (B) thirty-five percent (35%) of the amount to be distributed to the Limited Partner as a result of an event resulting in Gain and (C) an amount necessary to provide the Limited Partner with total benefits from the Partnership equal to \$241,167, adjusted in accordance with Article III(3) adjustments to Capital Contributions and Credit Adjuster Advances. For purposes of this Article, "total benefits" shall be computed as the sum of the following items, discounted at 16%:

- (i) 100% of Credits allocated to the Limited Partner on the Partnership's tax returns; plus
- (ii) 35% of Net Losses allocated to the Limited Partner on the Partnership's tax returns; plus
- (iii) all distributions of Net Cash Flow and Sale Proceeds to the Limited Partner; minus

(iv) 35% of Net Profit and Gain allocated to the Limited Partner on the Partnership's tax returns.

(ii) Second, to the General Partner until the balance in its Capital Account equals the unrepaid portion of any Operating Deficit Contribution;

(iii) Third, among the Partners so that, to the extent possible, (A) the balance of the Limited Partner's Capital Account in excess of the balance described in Article VII(2)(a)(i), (B) the balance in the General Partner's Capital Account in excess of the balance described in Article VII(2)(a)(ii) and (C) the balance in the Special Limited Partner's Capital Account is in accordance with the following proportions: 98.99% to the Limited Partner, 1% to the General Partner and 0.01% to the Special Limited Partner.

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

3. Special Allocations and Limitations. The following provisions shall apply notwithstanding the provisions of Article VII(2). In the event that there is a conflict between any of the following provisions, the earlier listed provision shall govern.

(a) If there is a net decrease in Minimum Gain attributable to Nonrecourse Liabilities during any taxable year, each Partner who has a share of the Minimum Gain attributable to such Nonrecourse Liabilities shall be specially allocated a pro rata portion of each of the Partnership's items of income and gain for such year (and, if necessary, for subsequent years) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in such Minimum Gain during such year as determined pursuant to Treasury Regulation Section 1.704-2(g)(2). In the event that such net decrease in the Partnership's Minimum Gain occurs in connection with the disposition of all or any portion of the Partnership Property securing a Nonrecourse Liability, then any items of Partnership income or gain allocated in accordance with the previous sentence shall first consist of Gain recognized by the Partnership as a result of such disposition. It is the intent that items to be so allocated shall be determined and the allocations made in accordance with and only to the extent required by Treasury Regulation Section 1.704-2(f) and (j)(2)(i), and this Article VII(3)(a) shall be interpreted consistently therewith.

(b) If there is a net decrease in Minimum Gain attributable to Partner Nonrecourse Debt during any fiscal year,

each Partner who has a share of the Minimum Gain attributable to such Partner Nonrecourse Debt shall be specially allocated a pro rata portion of each of the Partnership's items of income and gain for such year (and, if necessary, for subsequent years) to the extent of an amount equal to such Partner's share of the net decrease in such Minimum Gain during such year as determined pursuant to Treasury Regulation Section 1.704-2(i)(4). In the event that such net decrease in the Partnership's Minimum Gain occurs in connection with the disposition of all or any portion of the Partnership Property securing a Partner Nonrecourse Debt, then any items of Partnership income or gain allocated in accordance with the previous sentence shall first consist of Gain recognized by the Partnership as a result of such disposition. It is the intent that items to be so allocated shall be determined and the allocations made in accordance with and only to the extent required by Treasury Regulation Section 1.704-2(i) and (j)(2)(ii), and this Article VII(3)(b) shall be interpreted consistently therewith.

(c) In the event a Partner unexpectedly receives in any taxable year any adjustments, allocations or distributions described in Treasury Regulation Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) that cause or increase an Adjusted Capital Account Deficit of such Partner, items of Partnership income and gain shall be specially allocated to such Partner in such taxable year (and, if necessary, in subsequent taxable years) in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible. It is the intent that items to be so allocated shall be determined and the allocations made in accordance with the qualified income offset provision of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and Article VII(3)(c) shall be interpreted consistently therewith.

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

(e) If in any fiscal year there is a net increase during such year in the amount of Minimum Gain attributable to a Partner Nonrecourse Debt, any Partner bearing the economic risk of loss with respect to such debt (within the meaning of Treasury Regulation Section 1.752-2) shall be specially allocated items of Partnership loss or deduction in an amount equal to the excess of (i) such Partner's share of the amount of such net increase, over (ii) the aggregate amount of any distributions during such year to such Partner of the proceeds of such debt that are allocable to such increase in Minimum Gain. It is the intent that items to be so allocated shall be determined and the allocations made in

accordance with the required allocation of "partner nonrecourse deductions" pursuant to Treasury Regulation Section 1.704-2(i), and this Article VII(3)(e) shall be interpreted consistently therewith.

(f) The interest of the General Partner in each material item of Partnership income, gain, loss, deduction, and credit will be equal to at least 1% of each such item at all times during the existence of the Partnership.

(g) The special allocations set forth in Articles VII(3)(a), (b), (c) and (e) (the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulation Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations shall be taken into account in allocating other profits, losses and other items of income, gain, loss and deduction to the Partners so that, to the extent possible, the net amount of such allocations of profits and losses and other items shall be equal to the amount that would have been allocated to each Partner had the Regulatory Allocation not occurred. In the event that in any year the Regulatory Allocations alter the allocations of tax items to the Partners, to the extent possible, depreciation deductions shall nevertheless be allocated 98.99% to the Limited Partner, 1% to the General Partner and 0.01% to the Special Limited Partner.

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

(i) Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Treasury Regulation Section 1.752-3(a)(3), the General Partner's interest in Partnership profits shall equal 1%, the Special Limited Partner's interest in Partnership profits shall equal 0.01% and the Limited Partner's interest in Partnership profits shall equal 98.99%.

ARTICLE VIII

Cash Distributions

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

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

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

(c) "Net Cash Flow" means Net Profits or Net Losses as shown on the books of the Partnership, adjusted by the addition of all items set forth in Article VIII(1)(c)(i) and further adjusted by the deduction of all items set forth in Article VIII(1)(c)(ii):

(i) Additions to Net Profits or Net Losses:

(A) the amount of depreciation and/or amortization deductions taken in computing such Net Profits or Net Losses;

(B) all other receipts of the Partnership not included in Net Profits or Net Losses, exclusive of Capital Contributions, the proceeds of loans, and similar capital receipts not provided for elsewhere; and

(C) any other funds deemed available for distribution, and designated as Net Cash Flow by the General Partner, including any amounts previously set aside as reserves by the General Partner which it no longer regards as necessary to maintain.

(ii) Deductions from Net Profits or Net Losses (except to the extent funded by Capital Contributions, the proceeds of loans, and similar capital receipts):

(A) all amortization payments for the current fiscal year on the obligations of the Partnership to the extent not deducted in determining such Net Profits or Net Losses;

(B) expenditures for the acquisition of the property of the Partnership and similar capital outlay items not deducted in determining such Net Profits or Net Losses; and

(C) amounts added to the Partnership reserves determined by the General Partner to be necessary including operating and replacement reserves under Article V(17) and (18) of this Agreement.

Net Cash Flow shall be determined separately for each fiscal year and shall not be cumulative.

2. Distributions of Net Cash Flow.

(a) Net Cash Flow, to the extent available, shall be distributed to and among the Partners, within 75 days after the close of each fiscal year, as follows:

(i) First, to the General Partner to repay any Operating Deficit Contribution; and

(ii) The balance, 1% to the General Partner, 0.01% to the Special Limited Partner and 98.99% to the Limited Partner.

3. Distributions of Sale Proceeds and Refinancing Proceeds. Any Sale Proceeds other than net proceeds upon liquidation of the Partnership resulting from the sale of the

Partnership Property which shall be governed by Article XII and any Refinancing Proceeds shall be distributed to and among the Partners in the following amounts and order of priority:

(a) First, to the Limited Partner an amount equal to the sum of (i) if the Credit Deficiency is more than five percent (5%) (or 0% if such Credit Deficiency was caused by the failure of the Partnership to rent the Units to qualified low-income tenants) of the Projected Credits, any unpaid Credit Deficiency and Interest Adjustment and (ii) thirty-five percent (35%) of the amount to be distributed to the Limited Partner;

(b) Second, to the Partners pro rata in accordance with their Interests until the Limited Partner's total benefits from the Partnership equals \$241,167 as adjusted in accordance with Article III(3) adjustments to Capital Contributions and Credit Adjuster Advances. For purposes of this Article, "total benefits" shall be computed as the sum of the following items, discounted at 16%:

- (i) 100% of Credits allocated to the Limited Partner on the Partnership's tax returns; plus
- (ii) 35% of Net Losses allocated to the Limited Partner on the Partnership's tax returns; plus
- (iii) all distributions of Net Cash Flow and Sale Proceeds to the Limited Partner; minus
- (iv) 35% of Net Profit and Gain allocated to the Limited Partner on the Partnership's tax returns.

(c) Third, to the General Partner to repay any Operating Deficit Contribution;

(d) The balance, 1% to the General Partner, 0.01% to the Special Limited Partner and 98.99% to the Limited Partner.

ARTICLE IX

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

1. Admission of Successor or Additional General Partners.

(a) The General Partner shall not have any right to retire or withdraw voluntarily from the Partnership or to sell, transfer, or assign all or any portion of its Interest, without

the prior written consent of the Limited Partner, which consent may be withheld at the sole discretion of the Limited Partner. In the event that such prior written consent has been obtained by the General Partner, the General Partner shall designate one or more persons to be its successor. In no event shall the Interests of the other Partners be affected thereby. The designated successor General Partner shall be admitted as such to the Partnership upon approval of the Limited Partner of such successor General Partner and upon satisfying the conditions of this Article IX and Article XV(1). Any voluntary withdrawal by the General Partner from the Partnership or any sale, transfer, or assignment by the General Partner of its Interest shall be effective only upon the admission in accordance with this Article IX(1)(a) and Article XV(1) of a successor General Partner.

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

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

(d) Upon the admission of any successor General Partner, an amendment to this Agreement reflecting such admission, and stating the agreement set forth in Article IX(1)(c) and in all respects in compliance with the requirements of the Act shall be filed in accordance with the Act.

2. Removal of a General Partner.

(a) The Limited Partner shall have the right to remove a General Partner as a General Partner for any of the following reasons: (i) such General Partner has committed an act or acts of gross negligence, willful misconduct, malfeasance or fraud, or an act or acts outside the scope of its authority, has breached any material representation or warranty or any agreement or material covenant contained in this Agreement, or has breached its fiduciary duties as a General Partner, (ii) the Partnership has violated in any material respect any provision of any document or agreement with the Mortgagee or any governmental regulation; (iii) the General Partner or the Partnership have taken any action which would (A) cause the termination of the Partnership for federal income tax purposes (other than a transfer of a Limited Partner's Interest), (B) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (C) violate any federal or state securities laws, (D) cause the Partnership to fail to

qualify as a limited partnership under the Act, or (E) cause the Limited Partner to be liable for Partnership obligations in excess of its Capital Contributions (unless such liability is due to actions taken by the Limited Partner); (iv) during the Compliance Period, the General Partner has operated the Partnership Property or the Project in a manner so as not to qualify as a "qualified low-income housing project" under Section 42(g)(1)(B) of the Code; or (v) any other event of removal or withdrawal under the Act with respect to the General Partner has occurred.

(b) Upon the removal of a General Partner for any reason pursuant to Article IX(2)(a), the successor General Partner shall cause the Partnership to redeem the removed General Partner's Interest for an amount equal to the greater of 50% of the purchase price paid to the Partnership by the successor General Partner for such interest or \$100.00, and such removed General Partner shall thereafter cease to have any interest in the capital, profits, losses, distributions, and all other economic incidents of ownership of the Partnership.

(c) In the event that all General Partners have been removed, the Limited Partner shall have the right, without the consent of any of the other Partners, to designate a successor General Partner and the Limited Partner may, within ninety (90) days of the General Partner's removal, elect to continue the business of the Partnership.

(d) The removed General Partner shall be liable for all costs and expenses incurred in the admission of a successor General Partner and for all other costs, expenses, or damages incurred by the Partnership as a result of the removal. The removed General Partner shall not be liable for any Partnership obligations incurred after the effective date of its removal, unless such obligations result from acts or omissions of the removed General Partner taken while it was a General Partner.

3. Event of Bankruptcy of a General Partner.

(a) Upon an Event of Bankruptcy with respect to a General Partner, such General Partner shall cease to be a General Partner of the Partnership. Upon such an Event of Bankruptcy, the remaining or successor General Partner shall cause the Partnership to redeem the General Partner's Interest for 50% of Fair Market Value, as determined in accordance with Article IX(7).

(b) If, at the time of an Event of Bankruptcy with respect to a General Partner, such General Partner was the sole General Partner, the Limited Partner shall have the right, without the consent of any of the other Partners, to designate the successor General Partner and the Limited Partner may, within

ninety (90) days of the General Partner's ceasing to be a General Partner of the Partnership, elect to continue the business of the Partnership.

4. Liability of a Removed or Withdrawn General Partner. Any General Partner who for any reason voluntarily or involuntarily withdraws or is removed from the Partnership or sells, transfers, or assigns its Interest shall be and remain liable for all obligations and liabilities incurred by it as a General Partner prior to the time when the withdrawal, removal, sale, transfer, or assignment becomes effective, and for any obligation or liability to the Limited Partner that may arise at any time under Article V(9).

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

6. Continuation of the Business of the Partnership. If, at the time of an event described in Article IX(2) or Article IX(3) or any other event described in Section 7-62-402 of the Act with respect to a General Partner, such General Partner was not the sole General Partner, the remaining General Partner or General Partners may elect to continue the business of the Partnership and shall immediately: (i) give Notice to the Limited Partner of such event; and (ii) make any amendments to this Agreement and execute and file for record any amendments or other documents or instruments necessary to reflect the termination of the Interest of the General Partner as to which such event has occurred and such General Partner's having ceased to be a General Partner and in order to comply with the requirements of the Act.

7. Valuation and Sale of Interest of Former General Partner. Upon the occurrence of any withdrawal or removal of a General Partner described in Article IX(3), the remaining or successor General Partners shall, not later than 120 days after such removal or withdrawal, provide Notice to the removed or withdrawn General Partner of their choice of an appraiser to appraise the Partnership Property who shall determine and provide a report on the fair market value of the Partnership Property (the "Appraised Value"). Not later than thirty days after receipt of the appraiser's report, the remaining or successor General Partners shall furnish to the withdrawn General Partner, by Notice, a calculation, reviewed by the Accountants, of the amount (the "Fair Market Value") that the withdrawn General

Partner would receive upon a distribution pursuant to Article XII, upon the liquidation of the Partnership after sale of the Partnership Property by the Partnership for an amount equal to the Appraised Value and allocation of the resulting gain or loss pursuant to Article VII(2). The closing of the redemption by the Partnership of the removed or withdrawn General Partner's Interest shall take place at the office of the remaining or successor General Partners not later than fifteen days after such Notice, or at such other time and place as the parties may agree. Payment of the purchase price at closing shall be made by wire transfer or other form of available funds.

ARTICLE X

Assignability of Interests of Limited Partner

1. Substitution and Assignment of a Limited Partner's Interest.

(a) A Limited Partner may not sell, transfer, assign, pledge, or otherwise dispose of all or any part of its Interest unless the General Partner shall have previously consented to such assignment in writing, the granting or denying of such consent being in the General Partner's absolute discretion. The Partnership shall not be required to recognize any such assignment until the instrument conveying such Interest has been delivered to the General Partner for recordation on the books of the Partnership. Unless an assignee becomes a Substitute Limited Partner in accordance with the provisions of Article X(1)(b), it shall not be entitled to any of the rights granted to a Limited Partner hereunder, other than the right to receive all or part of the share of the Net Profits, Net Losses, cash distributions, or returns of capital, or credits to which his assignor would otherwise be entitled.

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

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

(ii) the General Partner consents to such substitution, the granting or denying of which consent being in the General Partner's absolute discretion;

(iii) the assignor or assignee pays to the Partnership all costs and expenses incurred by the Partnership in connection with such substitution, including, without limitation, costs incurred in the review and processing of the assignment, in

obtaining the aforesaid opinions, and in amending, if necessary, the Partnership's then current Agreement; and

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

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

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

ARTICLE XI

Management Agent

General Partner to Engage Management Agent. The General Partner shall have responsibility for engaging a management agent (which may be an Affiliate of the General Partner) acceptable to the Mortgagees, the Limited Partner and any governmental authority having jurisdiction over the Project who shall manage and operate the Partnership Property in accordance with the requirements of the Mortgagees or any governmental authority having jurisdiction with respect thereto. If the General Partner shall at any time select a management agent other than the Management Agent, such successor to the Management Agent shall first be approved by the Limited Partner and, if required, shall be subject to the consent or approval of the Mortgagees. The Limited Partner may not disapprove of a successor Managing Agent without reasonable cause. Any successor management agent shall be entitled to receive such management fees as may be agreed upon between the General Partner and such agent and which shall be acceptable to the Limited Partner and the Mortgagees.

ARTICLE XII

Dissolution of Partnership

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

(a) The dissolution, liquidation, withdrawal, retirement, removal, and/or Event of Bankruptcy of a General Partner, who is, at such time, the sole General Partner of the Partnership; provided, however, that the Partnership shall not be dissolved in the event of the dissolution, liquidation, withdrawal, retirement, removal, or Event of Bankruptcy of a sole remaining General Partner if the Limited Partner shall, within ninety (90) days, elect to continue the Partnership and the Partnership business, and shall designate a successor general partner or general partners, which upon its admission to the Partnership shall automatically succeed to the Interest of the withdrawn General Partner, which shall be deemed to have been extinguished;

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

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

(d) The expiration of the Term; or

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

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

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

(b) to establishing any reserves that the General Partner or liquidator, in accordance with sound business judgment, deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership, which reserves may be paid over to an escrow agent to be held by such agent for the purpose of (i) distributing such reserves in payment of the aforementioned contingencies, and (ii) upon the

expiration of such period as the General Partner or such liquidator may deem advisable, distributing the balance thereof in the manner provided in this Article XII(2); and

(c) to the Partners in accordance with the then remaining balances in their respective Capital Accounts.

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

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

ARTICLE XIII

Bank Accounts; Books of Account; Reports; Tax Matters Partner

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

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

3. Reports.

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

(i) As soon as available and in any event not later than 30 days after the end of each of the first three quarters of each year, unaudited financial statements of the Partnership, including a balance sheet as of the end of such quarter, statements of changes in Partners' capital accounts during such quarter, statements of profit and loss for such quarter, statements summarizing the tax basis of Credits and depreciation for such quarter, statements of sources and uses of cash flow for such quarter and for the fiscal year through the end of such quarter, and copies of the rent rolls for the Project indicating the rent, family size, family income and area median income for each tenant, certified by the General Partner as presenting fairly the financial condition of the Partnership at the date of such statements. Each such statement shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis.

(ii) As soon as available and in any event not later than 60 days after the end of each year, the audited financial statements of the Partnership, as of the end of such year, including balance sheet, statement of changes in Partners capital accounts, statement of sources and uses of funds, statements summarizing the basis of Credits and depreciation, with the report of the Accountants thereon to the effect that such statements present fairly the financial position of the Partnership at the end of such year and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

(iii) As soon as available and in any event not later than 150 days after the end of the General Partner's fiscal year, the audited financial statements of the General Partner as of the end of each such year, including the balance sheets, related statements of income and retained earnings, and statement of changes in financial positions for such year, with the report of certified public accountants thereon to the effect that such statements present fairly the financial position at the end of such year and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

(iv) As soon as available and in any event not later than 60 days after the end of each year, all information necessary for the preparation of the Limited Partner's federal

income tax return for each year in respect of income, gains, losses, deductions, or credits and the allocation thereof to each Partner, including a Form K-1 (or other comparable form subsequently required by the IRS) and a copy of the federal "Partnership Return" and any state or local partnership tax return required to be filed by the Partnership.

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

(vi) Immediately upon receipt of (A) notice of any default under any loan or financial obligation of the Partnership, (B) notice of any IRS proceeding involving the Partnership, or (C) any payment or draw made under any operating deficit guarantee, construction completion guarantee, performance bond or letter of credit.

(vii) Such other information regarding the state of the business, financial condition and affairs of the Partnership, as the Limited Partner, from time to time, may reasonably request.

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

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

4. Tax Matters Partner.

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

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

(ii) Within five calendar days after the receipt of any correspondence or communication relating to the Partnership or a Partner from the IRS, the Tax Matters Partner shall forward to each Partner a photocopy of all such

correspondence or communication(s). The Tax Matters Partner shall, within five calendar days thereafter, advise each Partner in writing of the substance and form of any conversation or communication held with any representative of the IRS.

(b) The Tax Matters Partner shall not without the affirmative written vote of the Limited Partner:

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

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

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

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

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

(vi) Take any other action not expressly permitted by this Article XIII(4) on behalf of the Partners or the Partnership in connection with any administrative or judicial tax proceeding.

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

ARTICLE XIV

Buyout Option and Right of First Refusal

1. Buyout Option.

(a) At all times after the Compliance Period, the General Partner shall have the option (the "Buyout Option"), exercisable upon at least thirty (30) and not more than ninety (90) days prior written notice to the Limited Partner, to purchase the Limited Partner's entire Interest in the Partnership for a purchase price (the "Buyout Price") equal to the greater of (i) the Fair Market Value of the Limited Partner's Interest, subject to continued use of the Project for low income housing for at least 15 years after the end of the Extended Use Period under Section 42 of the Code and thereafter, as of the date of the closing of the Buyout, or (ii) the sum of (A) all federal, state and local taxes attributable to such sale, and (B) the amount, if any, required for the Limited Partner to obtain "total benefits" from the Partnership equal to \$241,167 as computed under Article VIII(3)(C) as of the date of said closing. Fair Market Value of the Limited Partner's Interest shall mean the amount that would be distributed to the Limited Partner if (a) the Partnership's assets were sold for a price equal to the fair market value of the assets, as established hereunder by appraisal, in a taxable transaction, (b) the resulting Gains or Losses were allocated among the Partners in accordance with the provisions of Article VII hereof, (c) the Partnership was liquidated immediately thereafter, and (d) a liquidating distribution was made in accordance with the provisions of Article XII(2) hereof. The General Partner's notice to the Limited Partner (the "Buyout Notice") shall include (1) an appraisal of the assets of the Partnership by an appraiser selected by the General Partner, and (2) a calculation by the Accountants of (a) the value of the Limited Partner's Interest based on such appraisal, (b) the amount of the Limited Partner's "total benefits" from the Partnership, and (c) the Buyout Price, all calculated as of the closing date proposed by the General Partner in its Buyout Notice. The Limited Partner shall have thirty (30) days after receipt of the Buyout Notice in which either to accept the Buyout Price set forth in the Buyout Notice or to notify the General Partner of its desire to appoint a second appraiser to evaluate the Buyout Price. In the event that the Limited Partner fails to notify the General Partner within the aforesaid thirty (30) day period that it desires to appoint a second appraiser, it shall be deemed to have accepted the Buyout Price, in which event the Buyout Price shall be the price calculated by the Accountants and set forth in the Buyout Notice, and the General Partner shall purchase the Interest of the Limited Partner on the date specified in the Buyout Notice. In the event that the Limited Partner notifies the General Partner of its desire to appoint a second appraiser, the Limited Partner

shall appoint such appraiser within thirty (30) days after it notifies the General Partner of its election, and the two appraisers shall together appoint a third appraiser within fifteen (15) days after the appointment of the second appraiser. The three appraisers so appointed shall each determine the Fair Market Value of the assets of the Partnership within thirty (30) days after the appointment of the third appraiser, and the Fair Market Value of such assets for the purpose of determining the Buyout Price shall be the average of the three appraisers' determinations; provided that if one or more of the appraisers' determinations is more than ten percent (10%) higher or lower than the average of the three determinations, such appraiser's determination shall be disregarded in determining the Fair Market Value of the assets, and provided, further, that if none of the appraisers' determinations is equal to or less than 10% higher or lower than the average of the three determinations, the Fair Market Value shall be the middle of the three determinations. The Accountants shall determine the Buyout Price within fifteen (15) days after the three appraisers complete their determinations, and the closing of the sale of the Limited Partner's Interest to the General Partner shall occur within sixty (60) days after the Accountants determine the Buyout Price. The entire Buyout Price shall be paid to the Limited Partner at the closing in cash or immediately available funds. The Limited Partner shall be responsible for the costs of the second appraiser and one-half (1/2) of the costs of the third appraiser, if any, and for its own attorneys' fees incurred in connection with the closing. All other costs of the Buyout, including the costs of the appraiser appointed by the General Partner, the Accountants' fees (except for those fees, if any, charged in connection with the work of the second appraiser) and any filing fees, shall be paid by the General Partner. All appraisals performed in connection with this Article XIV(1) shall take into account all restrictions and encumbrances affecting the Partnership assets.

(b) Notwithstanding the foregoing, the Buyout Price in Article XIV(1)(a) shall be the sum of all federal, state and local taxes attributable to such sale plus the amount, if any, required for the Limited Partner to obtain "total benefits" from the Partnership equal to \$241,167 as computed under Article VIII(3)(C) as of the date of said closing if (i) the Partnership receives a ruling from the IRS, (ii) final regulations are promulgated, or (iii) the IRS issues a revenue ruling or other administrative guidance which, based on an opinion of counsel to the Limited Partner, may be relied upon by the Partnership and is binding upon the IRS, to the effect that allowing the Buyout Option to be exercised based on the price set forth above in this Article XIV(1)(b) and without regard to the Fair Market Value of the Project or the Limited Partner's Interest will not have an adverse impact upon the Limited Partner's ability to take

advantage of the federal income tax benefits available from the ownership and operation of the Project by the Partnership.

2. Right of First Refusal. The Partnership will not transfer, sell, alienate, assign, give, bequeath or otherwise dispose of the Property to any Person without first offering the Property for a period of forty-five (45) days to the General Partner at a price equal to the sum of (i) the principal amount of all outstanding indebtedness secured by the Property including any accrued interest; (ii) all federal, state and local taxes attributable to such sale; and (iii) the amount, if any, required for the Limited Partner to obtain "total benefits" from the Partnership equal to \$241,167 as computed under Article VIII(3)(C); provided, however, that such price shall not be less than the minimum purchase price defined in Section 42(i)(7)(B) of the Code; provided further, however, that such right of first refusal shall be conditioned upon the General Partner's agreement to maintain the Project for low-income use for at least 15 years after the later of the end of the extended use period under Section 42 of the Code or the date of the buyout and provided, further, that such restriction shall be recorded as a restriction against the Property. Notwithstanding the foregoing, this right of first refusal shall not apply, if the General Partner has exercised the buyout option contained in Article XIV(1) above and actually purchases the Limited Partner's entire Interest in the Partnership according to the terms and conditions provided therein.

ARTICLE XV

Miscellaneous Provisions

1. Amendments to Agreement.

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

(b) No amendments shall be adopted pursuant to this Article XV(1), and unless its adoption does not, in the opinion of counsel for the Partnership, affect the limited liability of the Limited Partner under the Act or the status of the

Partnership as a partnership for federal income tax purposes, or cause loss or recapture of the Credit.

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

(d) The proposal of an amendment shall be made:

(i) by the General Partner, which shall give Notice to the Limited Partner which shall include (A) the text of the amendment, (B) a statement of the purpose of the amendment, and (C) an opinion of counsel to the Partnership obtained by the General Partner at the request of the Limited Partner (which counsel shall have been approved by the Limited Partner in advance) to the effect that such amendment is permitted by the Act and conforms with the requirements of the Act, such amendment will not affect the limited liability of the Limited Partner, such amendment will not adversely affect the classification of the Partnership as a partnership for federal income tax purposes, and such amendment will not result in any loss or recapture of the Credit, or

(ii) by the Limited Partner, which shall give Notice to the General Partner which shall include (A) the text of such amendment, (B) a statement of the purpose of the amendment, and (C) an opinion of counsel to the Partnership obtained by the Limited Partner at the request of the General Partner to the effect that such amendment is permitted by the Act and conforms with the requirements of the Act, and such amendment will not adversely affect the classification of the Partnership as a partnership for federal income tax purposes.

(e) Within thirty days after Notice is given pursuant to Article XV(1)(d), each Partner shall consent to or reject, in writing, the proposed amendment. Amendments to this Agreement shall become effective only upon the unanimous written consent of all Partners, which consent may be withheld in the sole discretion of any Partner and upon compliance with this Article XV.

(f) The cost of the opinions described in this Article XV(1) shall be borne by the Partnership.

2. Notice.

(a) The Notice address of the Partnership and the Partners shall be as follows:

(i) if to the Partnership, at its principal place of business as provided in Article II hereof, telecopy No. (303) 293-2309;

with a copy to:

J. William Callison, Esq.
Moye, Giles, O'Keefe, Vermeire & Gorrell
1225 Seventeenth Street, Suite 2900
Denver, Colorado 80202

(ii) if to the General Partner, 2100 Broadway, Denver, Colorado 80205, Attention: Mr. John Parvensky, telecopy No. (303) 293-2309;

with a copy to:

J. William Callison, Esq.
Moye, Giles, O'Keefe, Vermeire & Gorrell
1225 Seventeenth Street, Suite 2900
Denver, Colorado 80202

(iii) if to the Limited Partner, Banc One Community Development Corporation, 100 East Broad Street, Columbus, Ohio 43271, Attention: Mr. Joseph Hagan; and

(iv) if to the Special Limited Partner, 10227 Wincopin Circle, Suite 810, Columbia, Maryland 21044, Attention: Mr. Mark Sissman, telecopy No., (410) 964-1376.

(b) Any Partner may change its Notice address by providing Notice hereof to all other Partners.

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

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

(b) by the Limited Partner, which shall give Notice to the General Partner, which Notice shall include a statement of the purposes of the meeting. No more than fifteen days after receipt of such Notice, the General Partner shall provide Notice to the Limited Partner in accordance with Article XV(3)(a).

4. Action for Breach. The representations, warranties, covenants, agreements, and duties of the General Partner

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

5. Consent and Voting. No vote or consent given by the Limited Partner shall ever be construed to make the Limited Partner liable as a general partner or cause the Limited Partner to be liable for Partnership obligations.

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

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

8. Applicable Law. It is the intention of the parties hereto that all questions with respect to the construction, enforcement, and interpretation of this Agreement and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the State of Colorado, without regard to principles of conflicts of laws.

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

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

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

12. Section Titles. Section titles and any table of contents are for descriptive purposes only and shall not control or limit the meaning of this Agreement as set forth in the text.

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

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

IN WITNESS WHEREOF, the undersigned Partners have hereunto affixed their signatures and seals of the date first above written.

LINCOLN GLENARM, L.P.

FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

SIGNATURE PAGE

Witness

CCH/Lincoln Glenarm Housing,
Inc.,
General Partner

Frederick A. Hafferty

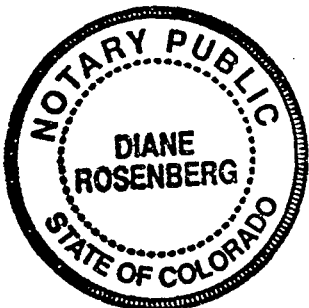
By: [Signature]
Name: John Pavlensky
Title: EXECUTIVE DIRECTOR

STATE OF COLORADO)
COUNTY OF Denver) ss.

I hereby certify that on this 13th day of JANUARY 1995,
before me personally appeared John Pavlensky, to me known to be the
person described in and who executed the foregoing instrument, and
acknowledged that she/he is duly authorized to execute the same.

My term of office expires: 9/30/96

[Signature]
Notary Public



LINCOLN GLENARM, L.P.

FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

SIGNATURE PAGE

Witness

Joyce Alms-Ransford,
Withdrawing Initial Limited
Partner

[Signature]

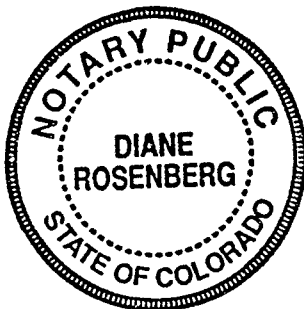
By: Joyce Alms-Ransford
Name: JOYCE ALMS-RANSFORD
Title: _____

STATE OF Colorado)
COUNTY OF Denver) ss.

I hereby certify that on this 13th day of January, 1995,
before me personally appeared Joyce Alms-Ransford to me known to be the
person described in and who executed the foregoing instrument, and
acknowledged that she/he is duly authorized to execute the same.

My term of office expires: 9/30/96

[Signature]
Notary Public



LINCOLN GLENARM LIMITED PARTNERSHIP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

SIGNATURE PAGE

Witness

Banc One Community Development
Corporation,
Limited Partner

Frank S. Hagan

By: Joseph S. Hagan
Name: Joseph S. Hagan
Title: President

STATE OF OHIO)
) ss.
COUNTY OF FRANKLIN)

I hereby certify that on this 12th day of January, 1995,
before me personally appeared Joseph S. Hagan, to me known
to be the person described in and who executed the foregoing
instrument, and acknowledged that she/he is duly authorized to
execute the same.

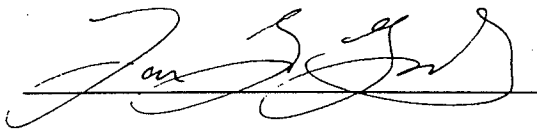
My term of office expires: _____

Rita Eubank Tholt
Notary Public
RITA EUBANK THOLT, Attorney At Law
NOTARY PUBLIC, STATE OF OHIO
My commission has no expiration date.
Section 147.03 R.C.

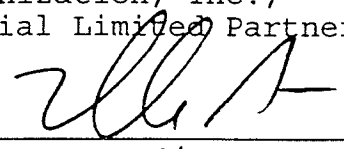
LINCOLN GLENARM LIMITED PARTNERSHIP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

SIGNATURE PAGE

Witness



Enterprise Community Housing
Organization, Inc.,
Special Limited Partner

By:  
Name: Mark Sissman
Title: President

STATE OF Maryland)
) ss.
COUNTY OF Howard)

I hereby certify that on this 11th day of January,
1995, before me personally appeared Mark Sissman, to me
known to be the person described in and who executed the foregoing
instrument, and acknowledged that she/he is duly authorized to
execute the same.

My term of office expires: 4/1/95


Notary Public

***Lincoln Glenarm, L.P.
2111 Champa Street
Denver, CO 80205***

November 25, 2024

City and County of Denver
Community Planning and Development
201 W Colfax Ave
Denver, CO 80202
Attn: Edson Ibanez, Senior City Planner

Re: Authorization regarding proposed rezoning of that certain real property located at 595 S Lincoln Str, 589 S Lincoln Str, and 35 E Center Ave ("**Property**") in the City and County of Denver, Colorado ("**City**")

To Whom It May Concern:

Britta Fisher, acting as President of CCH Lincoln/Glenarm Housing Inc, General Partner of Lincoln Glenarm, L.P. ("**Owner**") hereby designates Max Lubarsky, Director of Housing Development for the Colorado Coalition for the Homeless, and Jennifer Cloud, Chief Real Estate Officer for the Colorado Coalition of the Homeless, acting together or individually as an authorized "**Representative**" of Owner to submit, on behalf of Owner, all applications and supporting materials, related to rezoning of Property. In furtherance of the foregoing, Owner requests that any and all verbal or written communication be given to Representative pursuant to such contact information provided by Representative to the City.

Signed: _____



Britta Fisher, President
CCH Lincoln/Glenarm Housing Inc., General Partner
Lincoln Glenarm, L.P.
