

**LIMITED PARTNERSHIP AGREEMENT OF**

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THIS LIMITED PARTNERSHIP AGREEMENT OF \_\_\_\_\_ (this “**Agreement**”) is made and entered into effective as of \_\_\_\_\_ 202\_, by and among AHFC PLEASANT VALLEY NON-PROFIT CORPORATION, a Texas nonprofit corporation (the “**General Partner**”), \_\_\_\_\_ (the “**Administrative Limited Partner**”), [and \_\_\_\_\_ (the “**Co-Administrative Limited Partner**,” and collectively with the Administrative Partner,] the “**Limited Partner[s]**”) (the General Partner, the Administrative Limited Partner and the Limited Partner are referred to herein collectively as the “**Partners**” and individually as a “**Partner**”).

WHEREAS, \_\_\_\_\_ (the “**Partnership**”) was formed pursuant to the applicable Texas provisions of law (the “**Act**”) by filing a certificate of limited partnership effective as of \_\_\_\_\_, 202\_ (the “**Certificate**”) with the Office of the Secretary of State of the State of Texas (the “**Secretary of State**”); and

WHEREAS, the Partners desire to set forth herein their respective rights, duties, and responsibilities with respect to such partnership.

NOW, THEREFORE, in consideration of \$10.00, the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Partners do hereby agree as follows:

1. *Name and Principal Office.* The name of the Partnership is “\_\_\_\_\_.” The principal office of the Partnership is as follows:

2. *Purposes.* The purpose of the Partnership is to (a) lease, develop, finance, construct, own, operate, manage, and sell, or otherwise dispose of, a low-income rental housing development located in Austin, Travis County, Texas (the “**Development**”) comprised of units of that qualify for Federal low-income housing credits (“**Tax Credits**”) under Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”); and (b) do any and all other acts or things which may be incidental or necessary to carry on the business of the Partnership as herein contemplated and as may be lawful.

3. *Term of the Partnership.* The term of the Partnership commenced upon the filing of the Certificate with the Secretary of State and continues until the earlier of the following (each a “**Liquidating Event**”): (a) the agreement of the Partners to terminate the Partnership; (b) the sale of substantially all of the assets of the Partnership; or (c) the happening of any other event that makes it unlawful or impossible to carry on the business of the Partnership. Upon the occurrence of

a Liquidating Event, the Partners agree to dissolve, wind up, and terminate the Partnership as provided in Section 8 hereof.

4. *Names; Percentage Interests.*

(a) The names and percentage interests (“**Percentage Interests**”) of the Partners in relation to the Partnership are as follows:

<b><u>Name and Address</u></b>	<b><u>Percentage Interest</u></b>
AHFC Pleasant Valley Non-Profit Corporation 1000 East 11th Street, Suite 200 Austin, Texas 78702	___%
_____	___%
_____	
_____	___%
_____	
_____	

(b) No additional capital contributions are required to be made by any Partner. Except as otherwise expressly provided herein: (i) no Partner is entitled to withdraw any part of any contribution or to receive any distribution or make any contribution; (ii) no Partner has the right to receive property other than cash; (iii) no Partner is entitled to receive any interest on such Partner’s contributions; (iv) no Partner has priority over any other Partner either as to the return of contributions or as to any allocations or distributions; and (v) there has been no time agreed upon when any Partner’s contribution is to be returned.

5. *Management.*

(a) *Management by the General Partner.* Subject to the terms and provisions of this Agreement, and particularly Section 5(b) below, the General Partner has full and exclusive authority to control and manage the business and affairs of the Partnership. The General Partner will devote such time and attention to the Partnership’s business as is necessary to perform its duties hereunder.

(b) *Consultation with Limited Partners.* The General Partner must consult with the Limited Partners prior to taking any material action with respect to the financing, development, leasing, construction, management, or operation of the Development. The General Partner will not take any action to lease, finance, or construct the Development without the consent of the Limited Partners.

(c) *Indemnification of Partners.* The Partners are entitled to indemnification from the Partnership for any act performed by them within the scope of the authority conferred upon them by this Agreement. However, the Partners are not entitled to indemnification for their own acts of willful misconduct, malfeasance, gross negligence, or intentional misrepresentation.

(d) *Liability of Partners.* The Partners are not liable, responsible, or accountable in damages or otherwise to the Partnership for any act performed by them within the scope of the authority conferred upon them by this Agreement. However, such immunity from liability does not extend to their own acts of willful misconduct, malfeasance, gross negligence, or intentional misrepresentation.

6. *Allocations and Distributions.* Subject to Section 8 hereof, Partnership distributions will be made at such times and in such amounts as the General Partner determines. Unless otherwise agreed to by the Partners, all Partnership distributions and allocations will be made to the Partners in accordance with their respective Percentage Interests.

7. *Withdrawal; Transfers; Additional Partners.*

(a) *Transfer Defined.* As used in this Agreement, “Transfer” means, as a noun, any voluntary or involuntary transfer, sale, pledge, hypothecation, or other disposition and, as a verb, voluntarily or involuntarily to transfer, sell, pledge, hypothecate, or otherwise dispose of.

(b) *Withdrawal.* Except as otherwise expressly permitted or required by this Agreement or other agreement among the partners, no Partner may withdraw from the Partnership prior to the dissolution and winding up of the Partnership in accordance with Section 8 hereof.

(c) *General Restrictions on Transfer of Partner’s Interest.* Each of the Partners hereby agrees that it will not Transfer all or any part of its Percentage Interest in the Partnership to any person, except as may be permitted under this Section 7. Each Partner hereby acknowledges the reasonableness of the restrictions on Transfer imposed by this Agreement in view of the Partnership’s purpose, the relationship of the Partners, and the inadequacy of any remedy which might be available at law to redress a violation of such restrictions. Accordingly, the restrictions on Transfer contained herein are specifically enforceable. Each Partner further agrees to hold the Partnership and each other Partner wholly and completely harmless from any cost, liability, or damage (including, without limitation, costs of enforcing any such indemnity) incurred by any of such indemnified persons as a result of a Transfer or attempted Transfer by such Partner in violation of this Agreement.

(d) *Permitted Transfers of Interests.* A Partner may at any time Transfer all or any portion of its Percentage Interest in the Partnership to an affiliate without the consent of the other Partners.

(e) *Prohibited Transfers.* Any purported Transfer of all or any portion of any Partner’s Percentage Interest that is not permitted pursuant to this Section 7 is null and void and of no effect whatsoever.

(f) *Additional Partners.* Additional Partners may be admitted to the Partnership at such times and on such terms and conditions as agreed to by all the Partners.

8. *Dissolution; Winding Up; and Termination of the Partnership.*

(a) The Partnership must dissolve and commence winding up and liquidating upon the occurrence of a Liquidating Event. The Partners hereby agree that, notwithstanding any provision of the Act to the contrary, the Partnership may not dissolve prior to the occurrence of a Liquidating Event.

(b) Upon the occurrence of a Liquidating Event, the Partnership must continue solely for the purposes of winding up its affairs in an orderly manner, liquidating its assets, and satisfying the claims of creditors and Partners, and no Partner may take any action that is inconsistent with, or not necessary to or appropriate for, the winding up of the Partnership's business and affairs. The General Partner is responsible for overseeing the winding up and dissolution of the Partnership and must, notwithstanding anything to the contrary in the Act, cause the Partnership's assets to be applied and distributed in the following order:

(i) First, to the payment and discharge of all the Partnership's debts and liabilities; and

(ii) The remaining assets, if any, to the Partners in accordance with Section 6 hereof.

(c) The General Partner is required to liquidate any assets of the Partnership if it determines, after consultation with the Limited Partners, that such liquidation is not in the best interests of the Partners and must instead distribute such assets in kind upon the dissolution of the Partnership.

(d) No Partner may receive any additional compensation for any services performed pursuant to this Section

9. *Amendment; Amendment and Restatement Contemplated.* This Agreement may not be modified or amended except by the written consent of all the Partners. The Partners anticipate that this Agreement will be amended and restated in its entirety effective on or prior to the closing of third-party financing of the Development and the admission of a tax credit investor partner to the Partnership. The Partners agree that they will negotiate in good faith such amendment and restatement of this Agreement.

10. *Governing Law.* This Agreement is governed by the laws of the State of Texas.

11. *Headings.* The headings of the sections of this Agreement are inserted solely for convenience and are not to be given controlling effect or used as an aid in the construction of any provision hereof.

12. *Pronouns.* All pronouns and any variations thereof refer to the masculine, feminine,

neuter, singular, or plural as the identity of the person or persons may require.

13. *Binding on Successors and Assigns.* Except as otherwise specifically provided herein, this Agreement is binding upon and inures to the benefit of the executors, administrators, successors, assigns, and personal representatives of the respective Partners.

14. *No Waiver.* The waiver of any breach of any term, covenant, or condition of this Agreement by any of the parties hereto does not constitute a continuing waiver or waiver of any subsequent breach, either of the same or of any other additional or different term, covenant, or condition of this Agreement.

15. *Severability.* Whenever possible, each provision of this Agreement must be interpreted in such a manner as to be valid under applicable law, but if any such provision is invalid or prohibited under said applicable law, such provision is ineffective only to the extent of such invalidity or prohibition without invalidating the remainder of such provision or the remaining provisions of this Agreement.

16. *Creditors.* None of the provisions of this Agreement is for the benefit of or enforceable by any of the creditors of the Partnership or of any of the Partners.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the parties hereto have signed this Agreement effective as of the day and year first above written.

**GENERAL PARTNER:**

AHFC Pleasant Valley NON-PROFIT CORPORATION  
a Texas nonprofit corporation

By: \_\_\_\_\_  
Name:  
Its:

**ADMINISTRATIVE LIMITED PARTNER:**

[ADD SIGNATURE BLOCK]

**LIMITED PARTNER:**

[ADD SIGNATURE BLOCK]