AMENDED AND RESTATED OPERATING AGREEMENT

OF

[redacted]

[redacted]

Table of Contents

List of Exhibits

AMENDED AND RESTATED OPERATING AGREEMENT

This Amended and Restated Operating Agreement of [redacted] dated and effective as of the [redacted] is made by and among:

[redacted]
a [redacted] limited liability company,
as the Manager,

[redacted]
a national banking association,
as the Investor Member,

and

[redacted]
an [redacted] corporation,
as the Special Member.

RECITALS

[redacted] (the ***"Company"***) was formed as a limited liability company under the Act pursuant to articles of organization filed with the Wisconsin Department of Financial Institutions effective on [redacted]. The Company has been operating pursuant to a written operating agreement dated [redacted] with [redacted] as the only member of the Company (the ***"Initial Operating Agreement"***).

The parties hereto desire to amend and restate the Initial Operating Agreement in order to cause the admission of the Investor Member and Special Member as members, and to set forth more fully the rights, obligations, and duties of the Manager, Investor Member and Special Member.

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

ARTICLE I

CONTINUATION AND BUSINESS PURPOSE

1.1 Restatement and Continuation of Company

Effective immediately, as evidenced by the full execution of this Agreement, the Investor Member and Special Member are admitted as Members to the Company. The Manager, the Special Member and the Investor Member, constituting all of the Members of the Company, hereby amend and restate the Initial Operating Agreement in its entirety and continue the Company under the Act.

1.2 Company Name

The name of the Company is "[redacted]"

1.3 Principal Place of Business

The principal office and place of business of the Company and the office to be maintained pursuant to the Act shall be located at 809 N. Broadway, Milwaukee, Wisconsin 53202.

1.4 Registered or Resident Agent

The name and address of the registered or resident agent of the Company for service of process are Antonio M. Perez, c/o Housing Authority of the City of Milwaukee, 809 North Broadway, Milwaukee, Wisconsin 53202.

1.5 Title to Project

Legal title to the Project shall be in the name of the Company, and no Member, individually, shall have any ownership of such Project.

1.6 Purposes of the Company

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

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

(b) During the Compliance Period, operating the Credit Units in compliance with the provisions of Section 42 and, if applicable, Section 48 of the Code;

(c) Carrying on any and all activities ancillary or otherwise related to the foregoing in accordance with this Agreement; and

The Company shall have all powers necessary to accomplish such purposes. Except as provided above, the Company shall engage in no other business or activity and the purposes of this Company and the nature and character of its business shall not be extended, by implication or otherwise, except by Consent of the Investor Member.

1.7 Term

The term of the Company commenced on [redacted] and shall be perpetual, unless sooner terminated in accordance with Article XII. Upon dissolution of the Company, the Manager shall take all actions necessary to terminate the Company in accordance with requirements of the Act.

1.8 Filing of Certificate

The Certificate creating the Company was filed effective on [redacted] with the Wisconsin Department of Financial Institutions. Immediately after the execution of this Agreement by the Members, the Manager shall, if required, cause the Certificate to be amended and filed in accordance with the Act. The Manager shall immediately cause a copy of such Certificate, and all amendments, to be furnished to the Investor Member.

ARTICLE II

CERTAIN DEFINITIONS

2.1 General Terms

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

Accountants: [redacted] as to the Company financial projections and determination of the Credits projected under Sections 3.2 and 3.3, and SVA Certified Public Accountants S.C. or such other firm of independent certified public accountants that receives the Consent of the Investor Member, which shall not be unreasonably withheld, as to the Cost Certifications, annual tax returns, K-1's and all other accounting matters for the Company.

Act: Chapter 183 of the Wisconsin Statutes regarding Limited Liability Companies, or any corresponding provision or provisions of succeeding law, as it or they may be amended from time to time.

Admission Date: The date on which each of the Investor Member and Special Member is admitted to the Company, which shall be deemed to be the date of execution of this Agreement by all parties hereto.

Affiliate: As to any Member: (i) any such Member; (ii) the legal representative, successor or assignee of, or any trustee of a trust for the benefit of, any such Member; (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 or member (ten percent (10%) or more) or partner or member of any Person referred to in the preceding clauses (i), (ii) and (iii); and (v) any Person directly or indirectly controlling (ten percent (10%) or more), or under direct or indirect common control with or by, any Person referred to in the preceding clauses (i), (ii), (iii), or (iv).

Agreement: This Amended and Restated Operating Agreement of [redacted] including all of the exhibits attached hereto and made a part hereof, as amended (in accordance with Section 15.1) and in effect from time to time.

ALTA/ACSM Land Title Survey: A survey for the Project prepared in accordance with surveying standards of the American Land Title Association and the American Congress on Surveying and Mapping and certified to the Company, the Investor Member and the Special Member and otherwise in form and substance reasonably satisfactory to the Special Member.

Annual Operating Budget: A budget prepared in accordance with Section 13.3(a)(3) for the ownership and operation of the Project and the Company, reflecting the reasonably projected income and expenses for the following Fiscal Year and payments budgeted into, and disbursements budgeted from, Reserves for such year, that has been reviewed and approved in writing by the Investor Member.

Arbitration: Shall have the meaning set forth in Section 15.15. Arbitration shall be conducted in the manner therein provided.

Architect: Shall mean [redacted]

Asset Management Fee: The annual fee payable to Investor Member respecting Project and Company review, as set forth in Section 11.2.

Bond Certification: A certification, or such other evidence acceptable to the Special Member (including, without limitation, copies of relevant government resolutions), that (i) the Project satisfies the requirements for allocation of a housing credit dollar amount under the qualified allocation plan applicable to the area in which the Project is located, (ii) the tax credit agency or government unit that issued the Bonds (or on behalf of which the Bonds were issued) has made a financial feasibility determination under Section 42(m)(2)(A) and (B) of the Code, and (iii) the Bonds are issued, or are anticipated to be issued, under the volume cap of Section 146 of the Code.

Bonds Issuer: Wisconsin Housing and Economic Development Authority, as the issuer of the Bonds.

Bonds: $30,000,000 Wisconsin Housing and Economic Development Authority Housing Bonds 2019 Series.

Budget Act: The Bipartisan Budget Act of 2015, Pub. L. No. 114-74.

Capital Account: The capital account maintained by the Company for each Member, determined in accordance with Section 7.5.

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

Capital Installment: Each installment of Capital Contribution as set forth on Exhibit A-1.

Capital Installment Due Date: The date on which any Capital Installment (or portion thereof) is due and payable pursuant to Section 3.2(d).

Capital Installment Notice: The Notice to be delivered to the Investor Member by the Manager set forth on Exhibit A-2.

Capital Percentage: As to any Member, the percentage in the Company shown opposite the name of such Member in the applicable column of Exhibit A and Exhibit A-3, as they may be amended from time to time in accordance with this Agreement, which represents such Member's Interest in Capital Proceeds, as set forth in Section 8.2.

Capital Proceeds: The proceeds from (i) any sale or exchange of any of the assets of the Company, (ii) any casualty, condemnation, or other loss affecting the Project or any portion thereof resulting in the receipt of insurance proceeds (other than rent loss or business interruption insurance) or condemnation payments, except to the extent of proceeds applied to the restoration, reconstruction, or replacement of the Project, (iii) any financing or refinancing of the Project (including the disbursement of any proceeds of any such loan, whenever made, that are available to be distributed to the Members), or (iv) any other transaction the proceeds of which are deemed

attributable to capital under generally accepted accounting principles less (a) all costs and expenses incurred by the Company in connection with the transaction giving rise to such proceeds; (b) all principal and interest payments and other sums paid on or with respect to any indebtedness of the Company then due and payable other than a Member Loan or a Development Fee Advance; (c) amounts receiving the Consent of the Investor Member, which shall not be unreasonably withheld, to be set aside in reserves; and (d) any Company Expenses then due and payable and for which there are insufficient Company gross revenues to pay; provided, that in no event shall the making of any Capital Contribution or Member Loan give rise to any Capital Proceeds.

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

(1) All gross revenue collected directly or indirectly from the operations of the Project (excluding Loans, condemnation and casualty proceeds, Capital Proceeds, and tenant security deposits, and interest thereon, unless forfeited to the Company) and of the Company (excluding Capital Contributions), as reduced, dollar for dollar, by the following:

(2) Company Expenses and required Loan payments not subject to available Cash Flow.

Certificate: The articles of organization for the Company that are prepared and filed in accordance with the Act, as the same may be amended from time to time.

Change in Law: An amendment to the Code or Treasury Regulations (or with respect to the State Credits, any change in the Wisconsin Code or regulations thereunder) that is applicable to the Project and that provides for the reduction or elimination of the Federal Credit or the State Credit for qualified low-income housing projects (as defined in Code Section 42(g)(1)) or substantially changes the requirements for qualifying for the Federal Credit or the State Credit in a manner which the Members reasonably agree cannot be satisfied by the Company.

City: The City of Milwaukee, Wisconsin, or a department thereof.

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

Company: [redacted] a [redacted] limited liability company formed under and pursuant to the Act.

Company Audit Rules: The partnership audit provisions of the Budget Act.

Company Expenses: All costs, debts and expenses of any type incurred, on an accrual basis, incident to the ownership and operation of the Project and the Company, including, without limitation, payments of taxes, insurance, funding of the Replacement Reserve (as further set forth in Exhibit A-7) and any other reserves required by any Lender or the HCA, audit expenses, HCA compliance costs, the Asset Management Fee, costs and expenses related to provision of services to residents (to the extent approved in an Annual Operating Budget), and

any other Company obligations and costs of capital improvements to the Project incurred after the Completion Date, to the extent such Company Expenses are not paid from Reserves (described on Exhibit A-7), insurance or condemnation proceeds, Loans, Capital Contributions or Capital Proceeds. By way of clarification, Company Expenses shall not include depreciation and amortization.

Company Representative: The Member designated to act as Company Representative of the Company for purposes of Code Section 6223(a) or the designated successor as provided in Section 13.4.

Completion Date: The date, which is expected to occur on or prior to the Target Completion Date, on which the construction of all of the buildings and Units constituting the Project have been completed, in a good and workmanlike manner, defect-free and free from mechanic's and materialmen's liens, and in accordance with all applicable laws and codes and the relevant Project Documents and all environmental remediation laws, as evidenced by an AIA certificate of completion prepared and executed by the Architect (and concurrence therewith by the Investor Member's independent inspection and disbursement advisor), indicating that construction of the Project, and all improvements, have been completed in accordance with the relevant Project Documents, except for non-material punch list items that do not impede the rental of the space in the Project on a full rent paying basis, which receive the Consent of the Investor Member, which shall not be unreasonably withheld, provided funds equal to not less than 150% of the expected costs to complete all outstanding punch list items have been placed in escrow to provide for the completion of such punch list items in form, substance and amount acceptable to the Investor Member; and as further evidenced by radon test results satisfactory to the Investor Member, but only to the extent the Property is located in a Radon Zone 1 or 2.

Compliance Period: When used with respect to a building in the Project, means the period specified in Section 42(i)(1) or Section 50(a) of the Code, as applicable, with respect to such building and when used with respect to the Project as a whole, means the period starting with the beginning of the first period under Section 42(i)(1) or Section 50(a), as applicable, to start for any building in the Project and ending with the end of the last period under Section 42(i)(1) or Section 50(a), as applicable, to end for any building in the Project.

Consent of the Manager: The written consent, approval or direction of the Manager, which shall be obtained prior to the taking of any action for which it is required hereunder.

Consent of the Investor Member: The written consent, approval or direction of the Investor Member which may be provided by the Special Member on the Investor Member's behalf and which shall be obtained prior to the taking of any action for which it is required hereunder. If there is more than one Investor Member, Consent of the Investor Member shall require the affirmative consent of Investor Members holding at least a majority of the aggregate Percentage Interests of the Investor Members.

Consolidated Appropriations Act: The Consolidated Appropriations Act, 2018, Pub. Law No. 116-141.

Construction Inspector: [redacted]

Construction Manager: The construction consultant or advisor reasonably acceptable to the Special Member, pursuant to a to-be-executed agreement with the Company which such agreement is approved by the Special Member, such approval shall not be unreasonably withheld, conditioned or delayed (the "Construction Manager Agreement"), and any other Person appointed by the Manager with the Consent of the Special Member (such Consent not to be unreasonably withheld, conditioned or delayed).

Cost Certification: Certification of the costs of the Project and the amount of the applicable Credit, based on the eligible basis, the qualified basis and Credit percentage applicable to the Project and including a calculation of the 50% test as required by Section 42(h)(4)(B) of the Code with respect to tax-exempt bonds issued to the Company, prepared by the Accountants and acceptable to the Investor Member.

Credit: The Federal Low-Income Credits and State Low-Income Credits.

Credit Deficiency: All adjustments to Credit pursuant to Section 3.3, other than pursuant to Section 3.3(k), 3.3(l), and 3.3(m).

Credit Period: The credit period with respect to all buildings in the Project, as defined in Section 42(f) of the Code.

Credit Units: Units that are operated in a manner so as to qualify as low-income units within the definition of Section 42(i)(3) of the Code based on the lesser of the unit fraction or the floor space fraction as such terms are defined in Section 42(c)(1) of the Code, together with any additional Units which may hereafter become Credit Units, in order to satisfy the so-called "next available unit" rules, issued pursuant to Treasury Regulations and rulings promulgated under Section 42 of the Code, which in this Project is anticipated to consist of 138 of the total 138 Units, constituting 100% of the Project.

Credits at Completion: The aggregate amount of Credits to be received by the Investor Member based upon the Cost Certification.

Debt Service Coverage Ratio: With respect to any given period, as certified by the Manager to the Investor Member in writing together with a statement fully disclosing the basis therefor and the manner of calculation thereof, all in form and substance satisfactory to the Special Member in its reasonable discretion, operating revenue including Rental Subsidies on an accrual basis but only to the extent such payments are actually received or reasonably anticipated to be received (but excluding pre-paid rent and other prepaid items of income until earned) less all Company Expenses, expressed as a percentage of must-pay debt service on any mortgage loan, excluding debt service on loans payable from available cash flow.

Notwithstanding anything to the contrary contained herein,

(A) in determining the Company Expenses for purposes of the foregoing calculation, (i) hard debt service and other amounts payable in connection with the Loan Documents shall be calculated at the maximum possible amounts thereof during the life of the relevant Loans (absent default or maturity, even if such maximum amounts are not then accruing or being charged), (ii) Company Expenses which are expected to vary

seasonally shall be included monthly at one-twelfth (1/12) of their anticipated annual amounts, (iii) monthly Company Expenses shall include one-twelfth (1/12) of the anticipated annual amounts of real estate taxes or PILOT payments computed at amount applicable to the Project, whether or not such taxes are then being assessed at such amounts, and (iv) repair and maintenance expenses shall not be less than projected expenses as set forth in the Projections,

(B) in determining the gross operating revenues of the Project, there shall be an assumed vacancy rate of the greater of five percent (5%) or the actual vacancy for the Units in the Project, and

(C) for purposes of this definition, "Company Expenses" shall not include any fee payable to a Member.

Designated Individual: The individual appointed by the Company to serve as the "designated individual" pursuant to Treasury Regulation 301.6223-1(b)(3) and who is the sole party through whom the Company Representative shall act.

Developer: [redacted] a [redacted] limited liability company, its successors and permitted assigns.

Development Advances: The advances to the Company to be made by the Manager in the amounts and under the circumstances provided in Section 5.9(b).

Development Agreement: The Amended and Restated Development Services Agreement attached hereto as Exhibit C.

Development Fee: The fees earned and payable pursuant to the Development Agreement.

Development Fee Advance: An advance to the Company by the Manager pursuant to Section 5.11.

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

Environmental Laws: (i) The Clean Air Act, as amended, 42 U.S.C. Sections 7401-7642; (ii) the Clean Water Act, as amended, 33 U.S.C. Sections 1251-1387; (iii) the Resource

Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Sections 6901-6991K; (iv) the Toxic Substance Control Act, as amended, 15 U.S.C. Sections 2601-2671; (v) the Safe Drinking Water Control Act, as amended, 42 U.S.C. Sections 300f-300i-26; (vi) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq. as amended; (vii) the Occupational Safety and Health Act of 1970, as amended, 19 U.S.C. Section 651, et. seq.; (viii) the Residential Lead-Based Paint Hazard Reduction Act of 1992, as amended; and (ix) any other federal, state, or local law, regulation, rule, or ordinance pertaining to public health or employee health and safety.

Environmental Reports: The AAI Phase I Environmental Site Assessment prepared by The Sigma Group, Inc., dated January 2020.

Event of Bankruptcy: With respect to any Person:

(a) The commencement by such Person of a voluntary case under applicable federal bankruptcy laws, 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;

(b) The commencement against such Person of an involuntary case under applicable federal bankruptcy laws, or any other applicable federal or state bankruptcy insolvency or similar laws which has not been vacated or discharged within sixty (60) days, or the entry of a decree or order for relief by a court having jurisdiction in respect of such person or the appointment of a receiver, liquidator, trustee (or other similar official) for such person and the continuance of such decree, order or appointment unstayed for a period of sixty (60) days;

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

(d) Such Person becoming "insolvent", as insolvency is or may be defined pursuant to the federal bankruptcy laws, the Uniform Fraudulent Conveyances Act, any state or federal act or law, or the ruling of any court; or

(e) If any one or more judgments or orders is entered against such Person with respect to a claim or claims involving in the aggregate liabilities exceeding $200,000 (provided, however, that with respect to the Guarantor, such amount shall be deemed to be $500,000), which judgment or order is not covered in full by insurance or is not stayed, bonded, paid or discharged within 30 days after such judgment or order.

Event of Default: Any event set forth in Section 9.2(a) of this Agreement.

Extended Use Agreement: The Land Use Restriction Agreement to be entered into between the Company and the HCA as required pursuant to Section 42(h)(6) of the Code.

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

Fair Market Value: A valuation of the applicable asset or Interest based upon an appraisal, pursuant to Section 14.1, and as regards valuation of an Interest, the applicable calculations of the Accountants, in each case, acceptable to the Investor Member.

Federal Credit: The Low-Income Housing Tax Credit provided for under Section 42 of the Code, including the seventy percent (70%) present value credit and/or the thirty percent (30%) present value credit, as applicable (the "*Federal Low-Income Credits*").

Federal Credit Adjuster Payment: A payment made by the Manager, pursuant to Section 3.3.

Federal Credit Recapture Event: The occurrence of any of the following: (i) the filing of a tax return by the Company or an amendment to a tax return evidencing a recapture or disallowance of Federal Credit previously allocated to the Investor Member, (ii) the assessment of a deficiency claimed by the IRS against the Company with respect to any Federal Credit previously claimed in connection with the Project, (iii) a Final Determination resulting in a deficiency with respect to, or recapture of, Federal Credits previously allocated to the Investor Member, or (iv) any other event which causes a recapture, reallocation or disallowance of a Federal Credit allocated to the Investor Member under applicable law, other than a disposition by the Investor Member of its Interest.

Final Arbitration Award: A final Arbitration decision in accordance with the provisions of Section 15.15.

Final Determination: With respect to any issue, the earliest to occur of: (i) a decision, judgment, decree, or other order being issued by any court of competent jurisdiction or arbitration panel or arbitrator, which decision, judgment, decree, or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted or the time for such appeals has expired); (ii) the IRS having entered into a binding agreement with the Company or a Member or having reached a final administrative or judicial determination which, whether by law or agreement, is not subject to appeal (or for which the period of appeal has expired without appeal); (iii) the expiration of the applicable statute of limitations; (iv) settlement between the parties; or (v) the filing of a federal information return or an amended federal information return by the Company or a Member.

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

Gross Potential Rent: The amount of monthly gross revenues that would be collected by the Company assuming all of the Units were fully rented.

Guarantor: The Housing Authority of the City of Milwaukee, a public body corporate and politic organized under the laws of the State of Wisconsin as a municipal corporation. If

there is more than one Guarantor, the term "Guarantor" means each and every Guarantor, jointly and severally.

Guaranty: The Guaranty of even date herewith, a copy of which is attached hereto as Exhibit D.

HACM: The Housing Authority of the City of Milwaukee.

HACM Loans: The Loans from HACM as specified in Exhibit A-4 made or to be made to the Company.

HCA: Wisconsin Housing and Economic Development Authority, the Tax Credit allocating entity of the State.

HUD: The U.S. Department of Housing and Urban Development.

Income Averaging Set-Aside: The applicable minimum set-aside to which this Project will elect in order to constitute a "qualified low-income housing project" for purposes of Section 42(g)(B)(1) of the Code, which set-aside was enacted in connection with the Consolidated Appropriations Act.

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

Investor Member: [redacted] a national banking association, its successors and permitted assigns, and any Person who becomes a Substitute Investor Member as provided herein, in each such person's capacity as an investor member. If there is more than one investor member of the Company, the term "Investor Member" shall refer collectively to all such investor members.

IRS: The Internal Revenue Service.

Lease-up Period: The period commencing on the date that the first Unit in the Project is marketed for occupancy and ending when the Project achieves initial one hundred percent (100%) Qualified Occupancy for all the Credit Units. Initial 100% Qualified Occupancy for the Credit Units is expected on or before [redacted]

Lender: The payee under each of the Loans, together with any successors or assigns in such capacity.

Loan Documents: With respect to each Loan, any and all documents executed by the Company in connection with such Loan.

Loan Notes: The notes executed by the Company in favor of the Lender of each of the Loans.

Loans: The loans shown on Exhibit A-4.

Management Agent: [redacted] a [redacted] nonstock corporation, or any successor management agent retained in accordance with this Agreement.

Manager: [redacted] a [redacted] limited liability company, its successors and permitted assigns, and any additional or substitute manager of the Company named in any duly adopted amendment to this Agreement. If there is more than one manager, the term "Manager" shall refer individually, collectively, jointly and severally, to all such managers.

Market Rate Units: Units that are not Credit Units; this Project has zero (0) Market Rate Units.

Member or Members: Each of the Manager, the Investor Member and the Special Member.

Member Loan: A loan to the Company by a Member as permitted by this Agreement, including, without limitation, an Operating Deficit Advance, each of which shall be a recourse loan.

Mortgage Loan Commencement: The first date on which all of the following shall have occurred:

(a) The Completion Date and lease-up of the Project;

(b) Each permanent Lender and the Special Member have determined the final principal amount of each permanent Loan (which loan amount shall provide for a projected Debt Service Coverage Ratio of 115% or greater for each year of the Compliance Period utilizing 2% income escalation, 3% expense escalation and vacancy rate of the greater of 5% or the actual vacancy for the Units in the Project);

(c) Closing and full funding (or conversion to permanent status) of each permanent Loan; and

(d) Redemption in full of the construction-period Bonds.

Mortgages: The mortgages or deeds of trust and security agreements which secure the applicable Loans.

Notice: A writing containing the information required by this Agreement and sent by registered or certified mail, postage prepaid, return receipt requested, or sent by commercial delivery service, by hand delivery, or by telecopy, paid for by the sender, to a Member at the last address or addresses designated for such purpose by such Member pursuant to Section 15.2. Any such Notice will be deemed received on the earlier of: (i) the date of receipt of such registered mail or certified mail (or confirmation of refusal thereof); (ii) three (3) business days after deposit of such Notice in the U.S. Mail, postage prepaid, addressed to the Member at the

applicable address for Notices delivered by mailing; (iii) the date of actual receipt of such Notice by commercial delivery service or hand delivery; and (iv) date of confirmation of delivery of a telecopy.

Operating Deficit: The amount by which Company Expenses plus any required funding of the Replacement Reserve in accordance with Exhibit A-7 plus the amount of required payments on any Loan not subject to available Cash Flow exceed the sum of collected gross receipts from the Project (including Rental Subsidies actually received during such period, but excluding Loans, nonforfeited tenant deposits, casualty and condemnation proceeds, Capital Contributions and Capital Proceeds and depreciation and amortization). The Manager agrees on behalf of itself and its affiliates to defer any fees to the extent necessary to prevent an Operating Deficit.

Operating Deficit Advance: A loan to the Company by the Manager, which shall be required under the circumstances described in Section 5.10.

Operating Reserve: The reserve to be funded in accordance with Exhibit A-7.

Percentage Interest: As to any Member, the percentage in the Company shown opposite the name of such Member in the applicable column of Exhibit A and Exhibit A-3, as they may be amended from time to time in accordance with this Agreement.

Permanent Loan: Collectively, the permanent loans as specified in Exhibit A-4 made or to be made to the Company.

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

PHA: The Housing Authority of the City of Milwaukee, a public body corporate and politic organized under the laws of the State of Wisconsin as a municipal corporation.

Plans and Specifications: The final signed and sealed Plans and Specifications for the Project prepared by the Architect and approved by the City, together with any change orders approved in accordance with this Agreement and the Loan Documents.

Project: The aggregate of all of the individual buildings, Units and the common areas constituting the Company's fee interest in the land and the improvements constructed or to be constructed thereon, known as Westlawn Renaissance VI, which is anticipated to contain 138 Units in fifty-seven (57) buildings (with fifty-seven (57) BINs) located at scattered sites, with parking spaces available for tenants on the site provided in accordance with the terms of the Reciprocal Access and Parking Agreement, which Project is located in Milwaukee, Wisconsin, the legal description of which is set forth on Exhibit B attached and made a part hereof, together with all easements, servitudes and other rights and benefits appurtenant thereto.

Project Documents: The construction contracts, Plans and Specifications, agreements with architects, engineers, environmental abatement consultants and contractors and other third

party contractors disclosed in writing to the Investor Member, agreements with the Management Agent, agreements with the Manager and its Affiliates, the Guaranty, the Extended Use Agreement, the RAD Documents, the Reciprocal Access and Parking Agreement, all other regulatory agreements, this Agreement and all exhibits hereto, the Loan Documents, and any other document or instrument executed in connection with any of the aforesaid documents, as such documents may be amended from time to time in accordance with the terms of this Agreement.

Projected Federal Credit Amount: The aggregate, or annual, as the context requires, Federal Credit anticipated to be generated by the Project, as specified on Exhibit A-3 and adjusted pursuant to Article III, including, without limitation, Section 3.3(a), 3.3(c), 3.3(i) and 3.3(l).

Projected State Credit Amount: The aggregate, or annual, as the context requires, State Credit anticipated to be generated by the Project, as specified on Exhibit A-3 and adjusted pursuant to Article III, including, without limitation, Section 3.3(b), 3.3(d), 3.3(j) and 3.3(m).

Projections: The Manager's projections of the anticipated results of the operation of the Company attached hereto as Exhibit F to this Agreement, as the same may be adjusted and updated upon Cost Certification, in accordance with Sections 3.3(a) and 3.3(b).

Qualified Occupancy: The initial occupancy of a Credit Unit pursuant to a lease having an original term of not less than six months by a Qualifying Tenant at rents which do not exceed the lesser of: (A) the rents permitted pursuant to Section 42 of the Code and its implementing regulations and (B) the rents approved by the HCA.

Qualifying Tenant: A tenant whose income does not exceed the lesser of (i) the relevant limit set forth in Section 42(g)(1) of the Code, and the Credit application, which is on average for Qualifying Tenants at the Project 60% of the applicable area median gross income, as adjusted for family size (subject to the terms of Section 5.6(cc)(1) hereof); and (ii) applicable income limitations imposed by the HCA.

RAD: The Rental Assistance Demonstration Program operated by HUD pursuant to that Consolidated and Further Continuing Appropriations Act of 2012, as amended.

RAD Documents: The RCC, the RAD Use Agreement, the RAD HAP Contract and any other documents required by the RAD Requirements.

RAD HAP Contract: Shall mean the RAD PBV Housing Assistance Payments Contracts executed by HACM and the Company providing rental assistance to the RAD Units in the Project with an effective term of at least through April 1, 2040.

RAD Requirements: The Consolidated and Further Continuing Appropriations Act of 2012, as amended including but not limited to (1) the Consolidated and Further Continuing Appropriations Act of 2012, as amended, all applicable statutes and any regulations issued by HUD for RAD, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices (including but not limited to, Notice

PIH 2012-32, REV-2, as it may be amended from time to time), and Mortgagee letters (if any) for RAD, and all future updates, changes and amendments thereto, as they become effective. Such requirements also include those requirements imposed by the RAD Use Agreement and RCC.

RAD Units: Shall mean the 136 dwelling units in the Project that are to be set aside and operating under RAD in accordance with the RAD Requirements.

RAD Use Agreement: Shall mean, that certain Rental Assistance Demonstration Use Agreement to be recorded against the Project for the benefit of HUD, dated as of substantially even date herewith, as amended from time to time, subjecting the RAD Units at the Project to RAD Requirements and providing permitted uses of the Project and rights of potential beneficiaries.

RCC: Shall mean the RAD Conversion Commitment executed by HUD on February 6, 2020, as may be amended, and the Exhibits attached thereto.

Reciprocal Access and Parking Agreement: That certain Reciprocal Access and Parking Agreement dated [redacted] and recorded with the Office of the Register of Deeds for Milwaukee County, Wisconsin, on [redacted] as Document No. [redacted]

Rental Subsidy: Shall mean, with respect to the Project, the rental assistance for the RAD Units provided pursuant to the RAD HAP Contract.

Rental Subsidies: The Rental Subsidy or other operating subsidies received from HUD and/or PHA.

Replacement Reserve: The Project replacement reserve to be funded pursuant to Exhibit A-7.

Repurchase Price: The price to be paid by the Manager to the Investor Member in accordance with the provisions of Section 5.13.

Reserves: The Replacement Reserve, the Operating Reserve and those additional Reserves funded pursuant to Exhibit A-7.

Special Member: [redacted] an [redacted] corporation, its successors and permitted assigns. If there is more than one investor member of the Company, the term "Special Member" shall refer collectively to all such special members.

Stabilization Period: The time period described in Section 5.9.

Stabilized Occupancy: The achievement of each of the following for a three (3) consecutive month period commencing immediately prior to Mortgage Loan Commencement: (a) monthly physical occupancy of at least 90% of the Units by tenants (who must be Qualifying Tenants in the case of the Credit Units), (b) monthly economic occupancy of at least eighty percent (80%) as determined by the monthly gross revenues collected directly or indirectly from rental operations of the Project (including all payments from Rental Subsidies on an accrual basis

that are appropriately reported as income under Generally Accepted Accounting Principles) divided by the Gross Potential Rent and (c) monthly Debt Service Coverage Ratio of 115% or greater for each year of the Compliance Period (which calculation of Debt Service Coverage Ratio of shall utilize a 2% income escalation, 3% expense escalation and 5% vacancy rate. Evidence of Stabilized Occupancy shall be subject to the review and reasonable approval by the Special Member.

Stabilized Occupancy ODG Release: The achievement of each of the following for a period of two (2) consecutive calendar quarters commencing upon the 54-month anniversary of Stabilized Occupancy: (a) monthly physical occupancy of at least 90% of the Units by tenants (who must be Qualifying Tenants in the case of the Credit Units), (b) monthly economic occupancy of at least eighty percent (80%) as determined by the monthly gross revenues collected directly or indirectly from rental operations of the Project (including all payments from Rental Subsidies on an accrual basis that are appropriately reported as income under Generally Accepted Accounting Principles) divided by the Gross Potential Rent and (c) monthly Debt Service Coverage Ratio of 115% or greater for each year of the Compliance Period (which calculation of Debt Service Coverage Ratio of shall utilize a 2% income escalation, 3% expense escalation and 5% vacancy for the units receiving a Rental Subsidy). Evidence of Stabilized Occupancy ODG Release shall be subject to the review and reasonable approval by the Special Member.

State: The state of Wisconsin.

State Credit: The Wisconsin State Tax Credit provided for under Wis. Stat. § 71.07(8b) et. seq. (the "*State Low-Income Credits*").

State Credit Adjuster Payment: A payment made by the Manager, pursuant to Section 3.3.

State Credit Recapture Event: The occurrence of any of the following: (i) the filing of a tax return by the Company or an amendment to a tax return evidencing a recapture or disallowance of State Credit previously allocated to the Investor Member, (ii) the assessment of a deficiency claimed by the State of Wisconsin against the Company with respect to any State Credit previously claimed in connection with the Project, (iii) a Final Determination resulting in a deficiency with respect to, or recapture of, State Credits previously allocated to the Investor Member, or (iv) any other event which causes a recapture, reallocation or disallowance of a State Credit allocated to the Investor Member under applicable law, other than a disposition by the Investor Member of its Interest.

Substitute Investor Member: Any Person admitted from time to time to the Company as an Investor Member 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.

Target Completion Date: [redacted]

Tax Equivalency Payment: A payment to the Investor Member in the amount of the federal and state income tax liability (assuming that the Investor Member is subject to tax at a

combined rate equal to 26%), together with any interest and penalty thereon, that would be imposed on the Investor Member from the recognition of any net income from operations or gain from capital events or dispositions (in each case, after taking into account such payment), from Cash Flow, Capital Proceeds, Credit Adjuster payments, State Credit Adjuster payments, or other amounts resulting in an income tax liability, as well as any tax liability assessed against the Investor Member, whether upon the cancellation or forgiveness of a Company obligation, upon the recharacterization of any Company obligation or otherwise.

TCJA: The Tax Cuts and Jobs Act, Pub. L. No. 115-97.

Term: The period of time the Company shall continue in existence as stated in Section 1.7.

Title Policy: That certain title policy issued by First American Title Insurance Company in the amount of [redacted] (which amount represents the full amount of permanent debt projected to be on the Project and the equity projected to be in the Project) (the "**Owner's Title Policy Amount**") shown on Exhibit A-3, in favor of the Company and in force as of the date hereof insuring the Company's fee simple title to the Project, subject only to such title exceptions as are acceptable to the Investor Member. The Title Policy shall provide extended coverage (with all standard exceptions removed) and shall include, without limitation, the following endorsements: (i) non-imputation, (ii) Fairway, (iii) where available, 3.0 zoning endorsement (with 3.1 zoning endorsement upon achievement of the Completion Date), (iv) survey coverage, and (v) such other endorsements as the Investor Member may reasonably require.

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

Units: The individual units of residential rental housing located at the Project.

2.2 General Rules of Document Interpretation

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

(1) Words importing the singular number include the plural number and/or words importing the plural number include the singular number;

(2) Words of the masculine gender include correlative words of the feminine and neuter genders, and vice-versa;

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

(4) Words importing persons include any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company,

trust, unincorporated organization, or government or agency or political subdivision thereof;

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

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

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

(b) In the event there is more than one Investor Member or more than one Manager, the following additional rules of construction shall apply unless otherwise provided:

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

(2) With respect to any matter on which the approval or ratification of the Manager is required or may be given, such approval or ratification shall not be deemed to have been given unless given by Consent of the Manager. With respect to any matter on which the approval or ratification of the Managers or Investor Member is required or may be given, such approval or ratification shall not be deemed to have been given unless given by Consent of the Managers or Investor Member, as the case may be; and

(3) All of the Manager's obligations hereunder shall be joint and several.

ARTICLE III

COMPANY INTERESTS AND SOURCES OF FUNDS

3.1 Identity of Members and Percentage Interests

The names and business addresses of the Manager, the Investor Member and the Special Member are as identified on Exhibit A-6, as such exhibit may be amended from time to time in

accordance with this Agreement and each such Member has the Percentage Interest indicated on Exhibit A.

3.2 Capital Contributions

(a) Manager. The Manager shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Company, by wire transfer or other form of available funds, the aggregate amount set forth after the Manager's name on Exhibit A in the amounts and at the times set forth in Exhibit A-1.

(b) Investor Member. Subject to the provisions of this Section 3.2 and provided that no Event of Default has occurred and is then continuing and that all conditions precedent thereto have been met, the Investor Member shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Company, by wire transfer, letter of credit or other form of available funds, its Capital Contribution in the aggregate amount set forth after the Investor Member's name on Exhibit A. Such Capital Contribution is payable in Capital Installments, in the amounts, and upon, and subject to, satisfaction of the conditions precedent thereto set forth on Exhibit A-l. Except as provided in this Section 3.2(b), the Investor Member shall not be obligated to make any Capital Contributions to the Company. All Capital Contributions shall be subject to any applicable adjustments pursuant to this Agreement.

(c) Capital Installment Notices. The Manager shall deliver a Capital Installment Notice to the Investor Member in the form attached as Exhibit A-2 not more than forty-five (45) days and not less than ten (10) business days in advance of the applicable Capital Installment Due Date, accompanied by all documentation needed to evidence achievement of the conditions precedent to payment thereof.

(d) Capital Installment Due Date: The date on which payment of any Capital Installment (or portion of Capital Installment) (the "Capital Installment Due Date") is due is the later of:

(1) Achievement of all of the conditions to funding of the applicable Capital Installment (or any portion thereof) in accordance with Exhibit A-1, and

(2) Ten (10) business days after receipt by the Investor Member of a Capital Installment Notice (Exhibit A-2), subject to deferral as set forth in Section 3.2(e) below, accompanied by all documentation reasonably acceptable to the Investor Member to evidence achievement of the conditions to payment thereof.

(e) Deferral or Adjustment of Capital Installment. If any of the following occurs: (i) should the Manager fail to certify that each of the certifications set forth in the Capital Installment Notice set forth in Exhibit A-2 is true and correct as of any Capital Installment Due Date, or (ii) should any of the

certifications set forth in the Capital Installment Notice be in fact untrue, or (iii) should any of the conditions precedent to payment of a Capital Installment (or portion thereof) have not then occurred, or (iv) should any Loan be out of balance, or (v) should an Event of Default have occurred, or (vi) should the Investor Member have delivered written notice to the Manager that it believes the Target Completion Date will not be timely achieved, and/or lease up of the Units has not occurred, or will not occur, in accordance with the Projections, the applicable Capital Installment Due Date shall be deferred and extended until ten (10) business days after such time as any or all of the events described in Subsections (i) through (vi) no longer exist. Failure to pay any Capital Installment or any portion thereof prior to such time shall not constitute a default of the Investor Member.

Further, any Capital Installment is subject to adjustment as set forth in Section 3.3 to reflect Credit Deficiencies, which will include, without limitation, Credit Deficiencies reasonably anticipated, based upon information from the Accountants, the Investor Member's advisors, actual Schedule K-1's received or other Capital Installment or Project documentation received.

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

(g) Default. In the event that the Investor Member fails to pay any portion of any Capital Installment (as such Capital Installment may be adjusted in accordance with Section 3.3) by the applicable Capital Installment Due Date (as defined in Section 3.2(d) above), and any such failure is not cured within ten (10) business days after written Notice of such failure, the Investor Member shall be deemed to be in default of its obligations under this Agreement. In such event, the parties shall endeavor in good faith to resolve such dispute. In the event either party in good faith believes that the parties will not reach a mutually acceptable agreement to resolve such dispute, either party may initiate binding arbitration to resolve such dispute under the terms set forth in this Agreement. In the event of a Final Determination (pursuant to subsection (i) of such defined term) in favor of the Company, the Investor Member shall pay to the Company all Capital Installments then due, and accrued interest thereon at the prime rate of interest as published in the Wall Street Journal, plus two percent (2%) per annum. Such payment shall constitute the sole remedy of the Company for such default. Notwithstanding any provisions of Section 3.2 to the contrary, payment

of all amounts owed pursuant to the terms of this Section 3.2(g) shall constitute full cure thereof, as though a default under this Section 3.2(g) had not occurred.

(h) Disputes. In the event of a dispute between the Investor Member and the Manager and/or the Company as to the obligation to make, or the amount of, any Capital Installment, upon resolution of such dispute (whether pursuant to a Final Determination (pursuant to subsection (i) of such defined term) or pursuant to written agreement between the Investor Member and the Manager and/or the Company), interest earned on such Capital Installment shall be paid to the Company, if such Capital Installment is determined to be payable to the Company.

3.3 Credit Adjustments to Capital Contributions

(a) Federal Credit Adjustment at Cost Certification and upon Receipt of IRS Form 8609. If the Federal Credits at Completion allocable to the Investor Member, as established by the Cost Certification and set forth on IRS Form 8609 (it being the intent of the parties that this adjustment shall be made upon receipt of all IRS Forms 8609 with respect to the Project), are less than the Projected Federal Credit Amount for such Federal Credits, as set forth for each applicable Federal Credit Period on Exhibit A-3 (such difference being referred to individually for each Federal Credit as the "**8609 Allocation Differential**"), then the Capital Contributions of the Investor Member shall be reduced by the amount (the "**8609 Adjustment Amount**") equal to the product of (i) the 8609 Allocation Differential and (ii) 96.00%. Any such 8609 Adjustment Amount shall be applied first to reduce any unfunded Capital Contributions of the Investor Member in chronological order and, if the 8609 Adjustment Amount is greater than the amount of all unfunded Capital Contributions, then the Manager shall immediately make a Federal Credit Adjuster Payment pursuant to Section 3.3(i) hereof. In the event of any 8609 Adjustment Amount, the Projected Federal Credit Amount shall be adjusted to reflect the change in Federal Credit (including the Year 2021 delivery amount which shall be adjusted to equal 41.36% of the annual Projected Federal Credit Amount and the Year 2022 delivery amount which shall be adjusted to equal 94.38% of the annual Projected Federal Credit Amount).

(b) State Credit Adjustment at Cost Certification and upon Receipt of the State equivalent of IRS Form 8609, if available, in regard to the State Credit. If the State Credits at Completion allocable to the Investor Member, as established by the Cost Certification and set forth on IRS Form 8609 (it being the intent of the parties that this adjustment shall be made upon receipt of all IRS Forms 8609 with respect to the Project), are less than the Projected State Credit Amount for such State Credits, as set forth for each applicable State Credit Period on Exhibit A-3 (such difference being referred to individually for each State Credit as the "**8609 State Allocation Differential**"), then the Capital Contributions of the Investor Member shall be reduced by the amount (the "**8609 State Adjustment Amount**") equal to the product of (i) the 8609 State Allocation Differential and

(ii) 70.00%. Any such 8609 State Adjustment Amount shall be applied first to reduce any unfunded Capital Contributions of the Investor Member in chronological order and, if the 8609 State Adjustment Amount is greater than the amount of all unfunded Capital Contributions, then the Manager shall immediately make a State Credit Adjuster Payment pursuant to Section 3.3(j) hereof. In the event of any 8609 State Adjustment Amount, the Projected State Credit Amount shall be adjusted to reflect the change in State Credit.

(c) Initial Year Adjuster. In addition to any other adjustment in Capital Contribution or payment required by this Section 3.3, and after the adjustments required by Section 3.3(a) and/or 3.3(l), in the event that the Federal Low-Income Credits passed through to the Investor Member on its Schedule K-1 for 2021 ("**Year 1**") (and/or the following calendar year ("**Year 2**") if partial Federal Credits were projected on Exhibit A-3) is less than the dollar amount of such Federal Credits set forth on Exhibit A-3 (as such amount may have been adjusted pursuant to Section 3.3(a) and/or 3.3(l)) (such difference being referred to as the "**Initial Year Shortfall Amount**"), then the Capital Contributions of the Investor Member shall be reduced by the amount (the "**Initial Year Adjustment Amount**") equal to (i) the Initial Year Shortfall Amount, minus (ii) the present value of the increase in the Federal Credits to the Investor Member for fiscal year 2031 computed as of December 31, 2021 attributable to the shortfall in Federal Credits in Year 1 (and/or the present value of the increase in the Federal Credits to the Investor Member for fiscal year 2032 computed as of December 31, 2022 attributable to the shortfall in Federal Credits in Year 2, if partial Federal Credits were projected on Exhibit A-3) using a discount factor of 10%. Any Initial Year Adjustment Amount shall be applied first to reduce any unfunded Capital Contributions of the Investor Member in chronological order and, if the Initial Year Adjustment Amount is greater than the amount of all unfunded Capital Contributions, then the Manager shall immediately make a Federal Credit Adjuster Payment pursuant to Section 3.3(i) hereof.

(d) Initial Year State Adjuster. In addition to any other adjustment in Capital Contribution or payment required by this Section 3.3, and after the adjustments required by Section 3.3(b) and/or 3.3(m), in the event that the State Low-Income Credits passed through to the Investor Member on its Schedule K-1 for 2021 ("**Year 1**") (and/or the following calendar year ("**Year 2**") if partial State Credits were projected on Exhibit A-3) is less than the dollar amount of such State Credits set forth on Exhibit A-3 (as such amount may have been adjusted pursuant to Section 3.3(b) and/or 3.3(m)) (such difference being referred to as the "**Initial Year State Shortfall Amount**"), then the Capital Contributions of the Investor Member shall be reduced by the amount (the "**Initial Year State Adjustment Amount**") equal to (i) the Initial Year State Shortfall Amount, minus (ii) the present value of the increase in the State Credits to the Investor Member for fiscal year 2027 computed as of December 31, 2022 attributable to the shortfall in State Credits in Year 1 (and/or the present value of the increase in the State Credits to the Investor Member for fiscal year 2028 computed as of December 31, 2023 attributable to the shortfall in State Credits in

Year 2, if partial State Credits were projected on Exhibit A-3) using a discount factor of 10%. Any Initial Year State Adjustment Amount shall be applied first to reduce any unfunded Capital Contributions of the Investor Member in chronological order and, if the Initial Year State Adjustment Amount is greater than the amount of all unfunded Capital Contributions, then the Manager shall immediately make a State Credit Adjuster Payment pursuant to Section 3.3(m) hereof. In the event of any Initial Year State Adjustment Amount, the Projected State Credit Amount shall be adjusted to reflect the change in State Credit.

(e) Annual Adjustments. In the event that the portion of Federal Low-Income Credits passed through to the Investor Member on its Schedule K-1 in any year following Year 1 and Year 2 is less than the annual amount of such Federal Credits reflected in the Projected Federal Credit Amount for such year (an "***Annual Federal Credit Reduction***"), the Investor Member's unfunded Capital Contributions (in the chronological order of such unfunded Capital Contributions) shall be reduced, on a dollar for dollar basis, by the amount of such Annual Federal Credit Reduction.

If, in connection with an Annual Federal Credit Reduction or a Federal Credit Recapture Event, it is projected that there will be Annual Federal Credit Reductions or disallowance of Federal Credit arising from a Federal Credit Recapture Event in one or more subsequent years of the Compliance Period, the Investor Member's unfunded Capital Contributions (in the chronological order of such unfunded Capital Contributions) shall be further reduced, on a dollar for dollar basis, by the aggregate amount of such projected Annual Federal Credit Reductions and/or disallowed Federal Credits (a "***Continuing Federal Credit Reduction***"), and the Projected Federal Credit Amount shall be correspondingly reduced by the Continuing Federal Credit Reduction. If, during the Compliance Period, at any time or from time to time, the Annual Federal Credit Reduction or the Continuing Federal Credit Reduction is greater than the amount of the then unfunded Capital Contributions of the Investor Member (as previously increased or reduced pursuant to this Article III), then the Manager shall immediately make a Federal Credit Adjuster Payment pursuant to Section 3.3(i) hereof.

(f) Annual State Adjustments. In the event that the portion of State Low-Income Credits passed through to the Investor Member on its Schedule K-1 in any year following Year 1 and Year 2 is less than the annual amount of such State Credits reflected in the Projected State Credit Amount for such year (an "***Annual State Credit Reduction***"), the Investor Member's unfunded Capital Contributions (in the chronological order of such unfunded Capital Contributions) shall be reduced, on a dollar for dollar basis, by the amount of such Annual State Credit Reduction.

If, in connection with an Annual State Credit Reduction or a State Tax Credit Recapture Event, it is projected that there will be Annual State Credit Reductions or disallowance of State Credit arising from a State Tax Credit Recapture Event in one or more subsequent years of the Compliance Period, the Investor Member's unfunded Capital Contributions (in the chronological order of such unfunded Capital Contributions)

shall be further reduced, on a dollar for dollar basis, by the aggregate amount of such projected Annual State Credit Reductions and/or disallowed State Credits (a "***Continuing State Credit Reduction***"), and the Projected State Credit Amount shall be correspondingly reduced by the Continuing State Credit Reduction. If, during the Compliance Period, at any time or from time to time, the Annual State Credit Reduction or the Continuing State Credit Reduction is greater than the amount of the then unfunded Capital Contributions of the Investor Member (as previously increased or reduced pursuant to this Article III), then the Manager shall immediately make a State Credit Adjuster Payment pursuant to Section 3.3(j) hereof.

(g) Recapture. Upon the occurrence of a Federal Credit Recapture Event or State Credit Recapture Event, or in the event that the Accountants recommend in writing that the Company must recapture any of the Federal Credit or State Credit allocated to the Investor Member that the Company claimed in any previous Fiscal Year (other than any such event caused solely by the transfer by the Investor Member of its Interest), the dollar amount of such recaptured Federal Credit or State Credit, plus applicable interest, penalties, costs of enforcement and a Tax Equivalency Payment with respect to the foregoing amounts (collectively, the "***Recapture Adjustment Amount***" or "***Recapture State Adjustment Amount***," respectively) shall be applied to reduce on a dollar for dollar basis, the Investor Member's then unfunded Capital Contributions. If, during the Compliance Period, at any time, or from time to time, the Recapture Adjustment Amount or Recapture State Adjustment Amount is greater than the amount of the unfunded Capital Contributions of the Investor Member (as previously increased or reduced pursuant to this Article III), the Manager shall immediately make a Federal Credit Adjuster Payment and State Credit Adjuster Payment, pursuant to Sections 3.3(i) and 3.3(j), respectively.

(h) Credit Deficiencies. All of the adjustments in Credit, pursuant to this Section 3.3, other than pursuant to Section 3.3(i) and 3.3(j), shall constitute Credit Deficiencies. In calculating Credit Deficiencies, the Investor Member shall be considered to have received Credit in the amount allocated to the Investor Member on the Company's federal and state income tax returns reduced by: (i) any adjustment of the Credit reported on the Company's tax return that is made by the Accountants, or by the IRS or applicable State authority pursuant to notice to the Company, or by a court in a Final Determination; and (ii) the amount of any recapture, reallocation or disallowance, or claimed recapture, reallocation or disallowance, of such Credit, other than recapture caused solely by the transfer by the Investor Member of its Interest, and, in each of subsections (i) and (ii) above, interest and penalties thereon. Further, payment of any Development Fee payable pursuant to the Amended and Restated Development Services Agreement, attached hereto as Exhibit C, shall be deferred to the extent necessary to pay any Credit Deficiency which is then payable or which is otherwise anticipated to become payable, whether based upon delays in leasing of Credit Units or otherwise.

(i) Federal Credit Adjuster Payment. The Manager shall make a Federal Credit Adjuster Payment in the amount of and to the extent that any 8609 Allocation Adjustment Amount, the Initial Year Adjustment Amount, Annual Federal Credit Reduction, Continuing Federal Credit Reduction, or Recapture Adjustment Amount exceeds then unfunded Capital Contributions of the Investor Member (as previously increased or reduced pursuant to this Article III). The Federal Credit Adjuster Payment shall be paid to the Company as an interest-free loan, repayable solely pursuant to Section 8.1 and Exhibit A-5, and Sections 8.2(a) and 12.2(a)(4), and the Company shall immediately make a special distribution to the Investor Member in such amount, without regard to Cash Flow or Article VIII hereof. Alternatively, at the sole election of the Investor Member, the Federal Credit Adjuster Payment shall be made directly to the Investor Member as a breach of warranty payment. All Federal Credit Adjuster Payments shall be due within 20 days of Notice by the Investor Member. Any Federal Credit Adjuster Payments not promptly paid when due shall bear interest at the prime rate of interest as published in the Wall Street Journal prevailing at the end of the preceding calendar month, plus two percent (2.0%) per annum, from the date payable, until paid in full. Federal Credit Adjuster Payments are recourse obligations of the Manager, jointly and severally, and are guaranteed by the Guarantor pursuant to the Guaranty, a form of which is attached as Exhibit D to this Agreement.

(j) State Credit Adjuster Payment. The Manager shall make a State Credit Adjuster Payment in the amount of and to the extent that any 8609 State Allocation Adjustment Amount, the Initial Year State Adjustment Amount, Annual State Credit Reduction, Continuing State Credit Reduction, or Recapture State Adjustment Amount exceeds then unfunded Capital Contributions of the Investor Member (as previously increased or reduced pursuant to this Article III). The State Credit Adjuster Payment shall be paid to the Company as an interest-free loan, repayable solely pursuant to Section 8.1 and Exhibit A-5, and Sections 8.2(a) and 12.2(a)(4), and the Company shall immediately make a special distribution to the Investor Member in such amount, without regard to Cash Flow or Article VIII hereof. Alternatively, at the sole election of the Investor Member, the State Credit Adjuster Payment shall be made directly to the Investor Member as a breach of warranty payment. All State Credit Adjuster Payments shall be due within 20 days of Notice by the Investor Member. Any State Credit Adjuster Payments not promptly paid when due shall bear interest at the prime rate of interest as published in the Wall Street Journal prevailing at the end of the preceding calendar month, plus two percent (2.0%) per annum, from the date payable, until paid in full. State Credit Adjuster Payments are recourse obligations of the Manager, jointly and severally, and are guaranteed by the Guarantor pursuant to the Guaranty, a form of which is attached as Exhibit D to this Agreement.

(k) Change in Law; Actions of Investor Member/Special Member. Notwithstanding anything to the contrary contained in this Agreement, in the event that any Federal Credit Recapture Event or State Credit Recapture Event

occurs under this Section 3.3 and is attributable to a Change in Law or the actions of the Investor Member and/or Special Member, there shall be no Federal Credit Adjuster Payment or State Credit Adjuster Payment and neither the Company nor the Manager shall have any obligation arising from said recapture; provided, however, that notwithstanding the foregoing, the portion of any Credit Deficiency resulting from said recapture shall be payable to the Investor Member only from available Cash Flow in the order of priority set forth in Exhibit A-5 or from Capital Proceeds pursuant to Section 8.2(a) and 12.2(a)(3).

(l) Upward Adjuster. (i) Upon the issuance of the Cost Certification and IRS Forms 8609, if the Federal Credits at Completion exceed the Projected Federal Credit Amount for all of the Federal Credit Period (the "***Upward Allocation Differential***"), then the Manager will give Notice to the Investor Member, and the Capital Contributions of the Investor Member shall be increased by the amount (the ***"Upward Adjustment Amount"***) equal to the product of (A) the Upward Allocation Differential and (B) 96.00%. Such increased Capital Contribution is payable with the Investor Member's final Capital Installment set forth in Exhibit A-1 if not yet made, or on such later date as set by the Manager, but in either case not before 10 business days after Notice to the Investor Member of the amount of Upward Allocation Differential. In the event of any Upward Adjustment Amount, the Projected Federal Credit Amount shall be adjusted to reflect the change in Federal Credit (including the Year 2021 delivery amount which shall be adjusted to equal 41.36% of the annual Projected Federal Credit Amount and the Year 2022 delivery amount which shall be adjusted to equal 94.38% of the annual Projected Federal Credit Amount).

(ii) In addition to any other adjustment in Capital Contribution or payment required by this Section 3.3, and after the adjustments required by Section 3.3(a) and/or 3.3(l), in the event that the Federal Low-Income Credits passed through to the Investor Member on its Schedule K-1 for Year 1 (and/or Year 2 if partial Federal Credits were projected on Exhibit A-3) is more than the dollar amount of such Federal Credits set forth on Exhibit A-3 (as such amount may have been adjusted pursuant to Section 3.3(a) and/or 3.3(l)) (such difference being referred to as the "**Initial Year Additional Amount**"), then the Capital Contributions of the Investor Member shall be increased by an amount equal to (i) the Initial Year Additional Amount, minus (ii) the present value of the decrease in the Federal Credits to the Investor Member for fiscal years 2031 computed as of December 31, 2021 attributable to the increase in Federal Credits in Year 1 (and/or the present value of the decrease in the Federal Credits to the Investor Member for fiscal years 2032 computed as of December 31, 2022 attributable to the increase in Federal Credits in Year 2 if partial Federal Credits were projected on Exhibit A-3) using a discount factor of 10%. Such increased Capital Contribution is payable with the Investor Member's final Capital Installment set forth in Exhibit A-1 if not yet made, or on such later date as set by the Manager, but in either case not before 10 business days after Notice to the Investor Member of the amount of the adjuster, with applicable documentation showing the calculation of the increased Capital Contribution resulting therefrom.

In addition to any other adjustment in Capital Contribution or payment required by this Section 3.3, and after the adjustments required by Section 3.3(a) and/or 3.3(l), to the extent any portion of an Annual Federal Credit Reduction and/or Continuing Federal Credit Reduction relates to Federal Credits, a portion of which are expected to be available in the last 5 years of the Compliance Period as a result of Code Section 42(f)(3)(A) and the Federal Low-Income Credits expected to be passed through to the Investor Member on its Schedule K-1 for such year(s) as a result of Code Section 42(f)(3)(A) is more than the dollar amount of such Credits set forth on Exhibit A-3 (as such amount may have been adjusted pursuant to Section 3.3(a) and/or 3.3(l)) (such difference being referred to as the "**2/3 Credit Additional Amount**"), then the Capital Contributions of the Investor Member shall be increased by an amount equal to the product of 96.00% and the present value of the 2/3 Credit Additional Amount using a discount factor of 10%**.** Such increased Capital Contribution is payable with the Investor Member's final Capital Installment set forth in Exhibit A-1 if not yet made, or on such later date as set by the Manager (but not later than December 31, 2022), but in either case not before 10 business days after Notice to the Investor Member of the amount of the adjuster, with applicable documentation reasonably acceptable to the Investor Member showing the calculation of the increased Capital Contribution resulting therefrom. In the event of any adjustment pursuant to this paragraph, the Projected Federal Credit Amount set forth on Exhibit A-3 for the last 5 years of the Compliance Period shall be adjusted to reflect the change in Federal Credit in accordance with Section 42(f)(3)(A).

(iii) [Reserved.]

(iv) Any increased Capital Contribution as a result of an upward adjuster pursuant to Section 3.3(l)(i), (ii) and/or (iii) above shall be used for such Company purposes as are consented to in writing by the Investor Member. Notwithstanding the foregoing, in no event will the Investor Member be obligated to make additional Capital Contributions pursuant to Section 3.3(l)(i), (ii) and (iii) in the aggregate in an amount in excess of the lesser of (i) 10% of the amount of the Capital Contributions set forth after the Investor Member's name on Exhibit A and (ii) funds available to the Investor Member for contribution to the Company as determined by the Investor Member.

(m) State Upward Adjuster. (i) Upon the issuance of the Cost Certification and IRS Forms 8609, if the State Credits at Completion exceed the Projected State Credit Amount for all of the State Credit Period (the "***Upward State Allocation Differential***"), then the Manager will give Notice to the Investor Member, and the Capital Contributions of the Investor Member shall be increased by the amount (the ***"Upward State Adjustment Amount"***) equal to the product of (A) the Upward State Allocation Differential and (B) 70.00%. Such increased Capital Contribution is payable with the Investor Member's final Capital Installment set forth in Exhibit A-1 if not yet made, or on such later date as set by the Manager, but in either case not before 10 business days after Notice to the Investor Member of the amount of Upward State Allocation Differential.

In the event of any Upward State Adjustment Amount, the Projected State Credit Amount shall be adjusted to reflect the change in State Credit (including the Year 2021 delivery amount which shall be adjusted to equal 76.630% of the annual Projected State Credit Amount).

(ii) [Reserved].

(iii) Any increased Capital Contribution as a result of an upward adjuster pursuant to Section 3.3(m)(i) and/or (ii) above shall be used for such Company purposes as are consented to in writing by the Investor Member. Notwithstanding the foregoing, in no event will the Investor Member be obligated to make additional Capital Contributions pursuant to Section 3.3(m)(i) and (ii) in the aggregate in an amount in excess of the lesser of (i) 10% of the amount of the Capital Contributions set forth after the Investor Member's name on Exhibit A and (ii) funds available to the Investor Member for contribution to the Company as determined by the Investor Member.

3.4 No Interest on Capital Contributions

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

3.5 Right to Require Repayment of Capital

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

3.6 [Reserved]

3.7 No Third-Party Beneficiary

None of the provisions of this Agreement shall be construed as existing for the benefit of any creditor of the Company or for the benefit of any creditor of the Members, and no provision shall be enforceable by a party not a signatory to this Agreement, except where granting of a security interest or pledge has been made by the Company, with the Consent of the Investor Member.

ARTICLE IV

RIGHT TO MORTGAGE; MANAGER BOUND BY LOAN DOCUMENTS

4.1 Right to Mortgage

(a) The Company shall be authorized to borrow the Loans, pursuant to the Loan Notes, in connection with the acquisition, development, construction of the Project, and the meeting of the expenses of operating the Project (including, without limitation, any items for which the Lenders may provide Loan funds), and may secure the same by Mortgages on the Project. The Manager shall not have any authority to enter into any loan, nor to refinance or otherwise modify, forgive or extend any loan (which will include, without limitation, the Loans), without the Consent of the Investor Member, which shall not be unreasonably withheld.

(b) The Company is a single asset entity whose sole asset is the Project and the Manager is presently a single asset entity whose sole asset is its membership interest in the Company. The Manager will not acquire other assets, nor conduct business activities, other than serving as the Manager of the Company, without the Consent of the Investor Member. In addition, the Manager covenants and agrees as follows:

(1) The Manager shall not engage, has not engaged and does not engage, in any business other than the business of making housing available to persons of low and moderate income and promoting social welfare and combating community deterioration, through acquisition, investment, funding, construction, rehabilitation, or any other means consistent with its charitable purposes.

(2) The Manager shall not enter into and has not entered into any contract or agreement with any Affiliate of the Manager, any constituent party of the Manager, or any Affiliate of any constituent party, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's length basis with third parties other than any such party.

(3) To the extent that the Manager and any of its Affiliates: (i) occupy any premises in the same location; (ii) share the same officers and other employees; (iii) jointly contract or do business with vendors or service providers or share overhead expenses; and (iv) contract or do business with vendors or service providers where the goods or services are wholly or partially for the benefit of its Affiliates, the Manager has and shall always allocate fairly, appropriately and non-arbitrarily any expenses and costs among and between such entities with the result that each entity bears its fair share of all such rent and expenses.

(4) The Manager has and shall continue to pay its debts and liabilities from its own assets as the same shall become due. No Affiliate has paid any debts or liabilities on behalf of the Manager.

(5) The Manager has and shall continue to shall maintain books, financial records and bank accounts that are separate and distinct from the books, financial records and bank accounts of any other Person including any Affiliate.

(6) The Manager has and shall continue to maintain separate annual financial statements prepared in accordance with generally accepted accounting principles, consistently applied, showing its assets and liabilities separate and distinct from those of any other entity; in the event the financial statements of the Manager are consolidated

with the financial statements of any other entity, the Manager has and shall continue to cause to be included in such consolidated financial statements: (i) a narrative description of the separate assets, liabilities, business functions, operations and existence of the Manager to ensure that such separate assets, liabilities, business functions, operations and existence are readily distinguishable by any entity receiving or relying upon a copy of such consolidated financial statements; and (ii) a statement that the Manager's assets and credit are not available to satisfy the debts of such other entity or any other person.

(7) The Manager has and shall continue to file its own tax returns and pay its own taxes required to be paid under applicable law.

(8) The Manager has and shall continue to (i) hold itself out as an entity separate and distinct from any other Person; (ii) not identify itself or any of its affiliates as a division or part of the other; (iii) correct any known misunderstanding regarding its separate status; and (iv) use separate stationery, invoices, checks, and the like bearing its own name.

(9) The Manager has and shall continue to conduct its business in its own name so as to avoid or correct any misunderstanding on the part of any creditor concerning the fact that any invoices and other statements of account from creditors of the Manager are to be addressed and mailed directly to the Manager, though this provision shall not prohibit such mail to be delivered to the Manager c/o any other entity.

(10) The Manager has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

(11) The Manager has not and shall not commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other Person or Affiliate.

(12) The Manager has and shall continue to maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any party.

(13) The Manager has not and shall not (i) assume or guaranty the debts of any other Person in a manner that includes a pledge, encumbrance, transfer or hypothecation (whether by operation of law or otherwise) of any assets or interests of the Company or, (ii) hold itself out to be responsible for the debts of another Person in a manner that includes the pledge, encumbrance, transfer or hypothecation of any assets or interests of the Company (whether by operation of law or otherwise), or (iii) otherwise pledge, encumber, transfer or hypothecate the assets of the Company for the benefit of another Person or permit the same to occur, or (iv) hold the Company's credit as being available to satisfy the obligations of any other Person.

(14) All transactions carried out by the Manager have been and will be, in all instances, made in good faith and without intent to hinder, delay or defraud creditors of the Manager.

(15) The Manager is wholly owned by The Housing Authority of the City of Milwaukee.

(c) The Mortgages, other than the HACM Loans, shall provide that no Member or an Affiliate shall have any personal liability for the payment of all or any part of such Loan Notes, or interest therein, except for those customary exclusions for fraud, misappropriation of funds, environmental hazards or waste that, in the opinion of counsel to the Investor Member, do not cause the Mortgages to become debt instruments as to which a Member has an economic risk of loss under Treasury Regulation Section 1.752-2, or any successor provision.

ARTICLE V

RIGHTS, POWERS AND OBLIGATIONS OF THE MANAGER

5.1 Authority of Manager

(a) Subject to the terms of this Agreement, the Manager shall have the right, power, and authority, acting for and on behalf of and in the name of the Company, to manage and control the business and affairs of the Company, including the right to: (i) execute and deliver on behalf of the Company any contract, agreement, or other instrument or document required or otherwise appropriate to acquire, construct, rehabilitate, renovate, improve, lease, operate, sell, encumber, mortgage, convey, or refinance the Project (or any part thereof); (ii) convey the Project 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. Any action required or permitted to be taken by the Manager hereunder may be taken by such of its proper officers or agents as it shall validly designate and duly authorize for such purpose.

(b) Except for items for which Consent of the Investor Member is required, all decisions made for and on behalf of the Company by the Manager shall be binding upon the Company. Except as expressly otherwise set forth in this Agreement, the Manager (acting for and on behalf of and in the name of the Company), 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 Company's day-to-day business, to do any and all acts and things necessary, proper, ordinary, customary or advisable to effectuate the purposes of the Company. In so doing, the Manager shall take all actions necessary or appropriate to protect the interests of the Investor Member and of the Company. In furtherance and not in limitation of the foregoing provisions of this Article V and of the other provisions of this Agreement and subject to any applicable Consent of the Investor Member, the Manager is, as is more fully set forth in Section 5.1(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, Loan Notes, any contract, 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.

(c) The Manager shall maintain the books and records of the Company, and shall be responsible, on a timely basis, for (i) preparing all required tax returns and related information, (ii) making all tax elections, if appropriate, and (iii) preparing all financial information, all in accordance with Sections 5.7(d) and 13.3 hereof.

(d) The Manager may delegate certain of its authority, power, and right to manage the Project to the Management Agent; provided, however, that any such delegation shall not relieve the Manager of its obligations and responsibilities to ensure the proper management of the Project.

5.2 Limitations on the Authority of the Manager

Notwithstanding any other provision of this Agreement, the Manager shall have no authority to perform any act in violation of any applicable law or regulations, the Loan Documents, or the Project Documents; to do any act required to be approved, consented to, voted on, or ratified by the Investor Member under the Act or under this Agreement unless such approval, vote, consent, or ratification has been obtained; to cause the Company to engage in any business other than as set forth in Section 1.6; or do any act that would make it impossible to carry out the business of the Company as contemplated herein. The Manager shall have no authority to engage in the following activities without the Consent of the Investor Member and, if required, the consent of the Lenders:

(a) Effect a sale of all or any portion of the Project, including, without limitation, the Units and any commercial and/or community space;

(b) Effect a financing, refinancing, encumbrance, mortgage, conveyance, pledge, transfer, exchange or other disposition of all or any portion of the Project; provided that the Investor Member hereby consents to the Loans (but any extension, refinancing, increase, decrease, modification, amendment, of any such Loans (or repayment other than in accordance with its scheduled term of amortization) or consent to any transfer, pledge or conveyance of any Loan by an existing Lender will require the Consent of the Investor Member, which shall not be unreasonably withheld);

(c) Lease as an entirety the Project, or lease any portion of the Project, except leases of the Units to residential tenants in the normal course of business and as otherwise provided in Section 5.6(cc)(7);

(d) Following the Completion Date, construct any new capital improvements or replace any existing capital improvements, other than those contemplated in the Plans and Specifications or except as approved in an Annual Operating Budget (for which the Consent of the Investor Member shall not be unreasonably withheld);

(e) Change the Plans and Specifications subsequent to the date hereof or permit, subsequent to the date hereof, any change-orders in excess of 10% of the Project's hard cost construction contingency in any single instance or 100% of the Project's hard cost construction contingency in the aggregate, for which the Consent of the Investor Member shall not be unreasonably withheld. Upon receipt by the Investor Member of any such change order request, the Investor Member shall have ten (10) days to review and either issue approval, denial, or comment upon the requested change. The Manager shall provide a copy of the fully executed change order to the Investor Member within ten (10) days of receiving such approval. Notwithstanding the foregoing, the Consent of the Investor Member shall be required for all change orders that materially change the scope of work or quality of materials utilized;

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

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

(h) Incur any liability, obligation or debt other than the Loans (and any Operating Deficit Advances) and debt approved by the Investor Member in an Annual Operating Budget, or obligations incurred outside of the ordinary course of the Company's business in an amount not to exceed $175,000 in the aggregate (except for expenditures incurred on an emergency basis);

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

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

(k) Assign rights in assets of the Company for other than a Company purpose and in no event may the Company pledge or assign any of the Company's rights with respect to all or any portion of the Investor Member's Capital Contribution or the proceeds thereof;

(l) Voluntarily file a bankruptcy petition on behalf of the Company or execute or deliver an assignment for the benefit of Creditors;

(m) Dissolve or wind up the Company;

(n) Confess any judgment against the Company, or commence litigation on behalf of the Company or compromise any claim or liability in excess of $75,000 (or $125,000 with respect to construction matters) owed by the Company or consent to a settlement in excess of $75,000 (or $125,000 with

respect to construction matters) with respect to any claim, lawsuit or other legal or administrative proceeding involving the Company as a party (for which the Consent of the Investor Member shall not be unreasonably withheld);

(o) Modify or amend this Agreement or any of the Project Documents except (i) for minor, administrative and non-material modifications or amendments to Project Documents other than this Agreement; (ii) as otherwise set forth in Section 5.2(e); or (iii) for modifications or amendments to Project Documents other than this Agreement that provide increased value to the Project or Company, reduce Project costs, enhance services available to the Project, or are necessary to comply with any federal, state, or local law, rule, regulation or ordinance applicable to the Company or Project, provided the same would not result in a material adverse effect on the Project, the Company or the Investor Members;

(p) Prepay the Loan Notes other than payments from Cash Flow in accordance with Section 8.1 of this Agreement;

(q) Admit any Person as a Member, except as otherwise provided in this Agreement;

(r) Borrow from the Company or commingle Company funds with the funds of any Person, or loan any money on behalf of the Company or guarantee on behalf of the Company the indebtedness of any other Person;

(s) Permit the Company to pay directly or indirectly to the Manager (or any Affiliate thereof) a commission or fee in connection with the reinvestment or distribution of Capital Proceeds or liquidating distributions belonging to the Company, except as provided for herein;

(t) Receive any rebates or give-ups or participate in any reciprocal business relationships in circumvention of this Agreement;

(u) Cause the Company to be merged or consolidated with or acquired by any other Person;

(v) Make application for, or accept, increases in the principal amount of Loans or otherwise modify, restructure, extend or refinance the Loans, or any other Company indebtedness, for which the Consent of the Investor Member shall not be unreasonably withheld (provided, if any construction costs increase in excess of the amounts set forth in the Projections, the Manager shall cause HACM to increase the principal amount of the non-federal funds HACM Loan on the respective Project in a like amount to cover such construction cost increase);

(w) Contract with, dismiss or replace the Management Agent, except as provided in Section 11.1 hereof, for which the Consent of the Investor Member shall not be unreasonably withheld;

(x) Transfer, assign, pledge or hypothecate the Manager's interest as a Manager in the Company, including its interest in Company allocations or distributions or admit any other Person as a Member;

(y) Except as provided in this Agreement, engage in transactions in which the Manager or an Affiliate of the Manager has an actual or potential conflict of interest with either the Investor Member or the Company and which could have a material adverse effect on the Company or the Project (for which the Consent of the Investor Member shall not be unreasonably withheld);

(z) Except as provided in this Agreement, cause or permit the Company to enter into any material contract or agreement with the Manager or any affiliate of any Manager which relates to the Project, or any other Company business;

(aa) Make any expenditure (or series of unbudgeted expenditures) except as permitted by Section 13.3(a)(4) hereof; provided, the Manager is authorized to make unbudgeted expenditures in such amounts as may be necessary for ordinary and prudent operation of the Project (such as in the case of emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary services to the Project); provided further, in the event such unbudgeted expenditure (or series of unbudgeted expenditures) exceeds ten percent (10%) of the approved Annual Operating Budget, the Manager shall include a reasonably detailed explanation thereof in the next regular reports to the Investor Member pursuant hereto;

(bb) Change any accounting method or practice of the Company or replace the Accountants (for which the Consent of the Investor Member shall not be unreasonably withheld);

(cc) Take any action which would cause the termination of the Company for federal income tax purposes or the dissolution of the Company for state law purposes;

(dd) Take any action for which the Consent of the Investor Member is required under any other provision of this Agreement;

(ee) Cause or permit the Company to become, in the opinion of counsel to the Investor Member, subject to any economic risk of loss within the meaning of Treasury Regulation Section 1.752-2, or any successor provision, with respect to the Loan Notes, the Mortgages, or any of the Loan Documents; or

(ff) Permit the Developer to assign its obligations under the Development Agreement to any Person other than HACM, or assign, pledge or transfer all or any part of the Developer fees or right to fees payable pursuant to the Development Agreement to any Person other than HACM.

5.3 Outside Activities

The Manager shall devote to the management of the business of the Company so much of its time as it deems reasonably necessary to the efficient operation of the Project, and the Units and in order to comply with this Agreement.

5.4 Liability to Company and Investor Member

The Manager shall not be liable, responsible, or accountable in damages or otherwise to the Investor Member or to the Company for any acts performed in good faith and within the scope of authority of the Manager pursuant to this Agreement; provided, however, that the Manager shall be liable for, and shall indemnify, defend, and hold harmless the Company and the Investor Member from and against any loss, liability, damage, cost or expense (including reasonable attorneys' fees) arising out of, the Manager's actions and/or omissions to the extent they are attributable to fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant or agreement under this Agreement, breach of its fiduciary duty, or actions performed outside the scope of its authority, and further provided that this will not affect the Manager's guaranties and obligations hereunder, which remain in full force and effect, unaffected by this provision.

5.5 Indemnification of Manager

(a) The Company shall indemnify, defend, and hold harmless the Manager from and against any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) arising out of any demands, claims, suits, actions, or proceedings against the Manager, by reason of any act or omission performed by it (including its employees and agents) while acting in good faith on behalf of the Company and within the scope of the authority of the Manager 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 Manager must have in good faith believed that such action was in the best interests of the Company and in accordance with applicable law, and such course of action or inaction must not have constituted fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant or agreement set forth in this Agreement which has a material adverse effect on the Credits or the Project, or breach of its fiduciary duty; and (ii) any such indemnification shall be recoverable solely from the assets of the Company (other than any Company assets which would cause a recapture or disallowance of Federal Credit or State Credit under applicable law) and not from the assets of the Investor Member, and no Member 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 Member or any Affiliate thereof against another Member, nor in connection with any violation by the Manager of its obligations hereunder.

(b) The Company shall not pay for any insurance covering liability of the Manager for actions or omissions for which indemnification is not permitted hereunder, without the Consent of the Investor Member, which shall not be unreasonably withheld.

(c) Notwithstanding anything contained in this Section 5.5, the Manager shall not be indemnified or saved harmless from any liability, loss, damage, cost, or expense incurred by it in connection with: (i) any civil or criminal fines or penalties imposed by law; (ii) any claim or settlement involving the allegation that federal or state securities laws were violated by the Manager or the Company; or (iii) any claim involving fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant or agreement set forth in this Agreement which has a material adverse effect on the Credits or the Project, or breach of a fiduciary duty, unless (A) the Manager is successful in defending such action on the merits, (B) such claims have been finally dismissed in favor of the Manager with prejudice on the merits by a court of competent jurisdiction, or (C) a court of competent jurisdiction approves a settlement and finally determines that the Manager is entitled to costs.

(d) The indemnification rights contained in this Section 5.5 shall include, but shall not be limited to direct and indirect costs and expenses incurred by the Manager (including reasonable attorneys' and accountants' fees and expenses), and costs respecting the removal of any liens affecting any property of the indemnitee as a result of such legal action. Provided, however, in no event shall there be any recourse to the Investor Member for the payment of any amount due under this Section 5.5, and the payment of indemnification amounts shall be limited to the assets of the Company. There shall be no recourse to the Investor Member and nothing contained herein shall constitute a waiver by the Investor Member or its Affiliates of any right that it may have against any party under federal, state, or common law principles.

5.6 Representations, Warranties and Covenants of the Manager and Environmental Matters

The Manager hereby represents and warrants to the Investor Member that the following are true and correct as of the date hereof and Manager will make commercially reasonable efforts to cause such representations and warranties to be true and correct for the Term, unless specifically updated in writing and delivered to the Investor Member, from time to time.

(a) The Company is a duly organized limited liability company validly existing and in good standing under the laws of the State of Wisconsin and has undertaken all acts, including without limitation, the filing of all certificates and the payment of all fees, taxes, and other sums necessary for the Company to operate as a limited liability company in the State of Wisconsin and to enable the Company to engage in its business and operate the Project in accordance with this Agreement.

(b) No event has occurred that has caused, and the Manager has not acted in any manner that will cause: (i) the Company to be treated for federal income tax purposes as an association taxable as a corporation, (ii) the Company to fail to qualify as a limited liability company under the Act, or (iii) the Investor Member to be liable for Company obligations.

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

(d) The Manager has delivered to the Investor Member true copies of all documents material to the Investor Member's investment in the Company and true copies of all amendments to such documents and all other material information relevant to the Project or to the admission of the Investor Member to the Company. To the Manager's knowledge after due inquiry, all such information provided to the Investor Member by the Manager is accurate and complete in all material respects and the Manager has not failed to provide the Investor Member with any information necessary to make the information provided by the Manager complete and accurate in all material respects.

(e) The Company is under no obligation, and neither the Manager nor any of its Affiliates have taken any action that would cause the Company to be obligated, under any federal or State law, rule, or regulation to register the Interests and the Company and the Manager have fully complied with any and all federal and state securities laws, as well as all applicable exemptions available for the sale of Interests without registration.

(f) The Manager (A) is a limited liability company validly existing under the laws of the State of Wisconsin and (B) has full power to enter into and consummate this Agreement and all instruments pertaining hereto and to perform all acts related thereto. The consummation of all transactions contemplated herein and in the Loan Documents and the Project Documents to be performed by the Manager and/or its Affiliates does not result in any material breach or violation of, or default under, the organizational documents and authorizing resolutions of the Manager and/or its Affiliates or any agreements by which the Manager and/or its Affiliates or any of its property is bound, or under any applicable law, administrative regulation, or court decree. From and after the date of formation of the Company, the Manager has not pledged or otherwise encumbered its Interest in the Company and no third party has any interest therein. The organizational documents and authorizing resolutions of the Manager submitted to the Investor Member on or prior to the date hereof are true, correct and complete and have not been amended. The Manager will not change its organizational structure and will not make any changes or amendments to its organizational documents and authorizing resolutions which would impair its ability to act as Manager in accordance with this Agreement without the Consent of the Investor Member.

(g) No Event of Bankruptcy (or events which, in the course of time, would result in an Event of Bankruptcy) has occurred with respect to the Manager, any Guarantor or any of their respective Affiliates.

(h) No litigation, action, investigation, event, or proceeding is pending against the Company, the Manager and/or the Project. Further, to the Manager's knowledge (after due inquiry) no such litigation, action, investigation, event or proceeding is threatened, that, if adversely resolved, would: (i) have a material adverse effect on the Company, the Manager or the Project; (ii) have a material adverse effect on the ability of the Manager, any of its Affiliates to perform their respective obligations under this Agreement, and/or the Project Documents, as applicable; (iii) have a material adverse effect on the financial condition of the Manager or the Company; or (iv) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Agreement, the Loan Documents and/or the Project Documents, as applicable. Further, to the Manager's knowledge after due inquiry, no such action, investigation, event or proceeding is pending or threatened, that, if adversely resolved would have a material adverse effect on the Guarantor's financial condition or ability to perform under the Guaranty.

(i) The Manager has provided the Investor Member with true and correct copies of all Project Documents, and neither the Company nor the Manager has any obligations to any third parties, except for matters previously disclosed to the Investor Member in writing.

(j) All Project Documents are in accordance with applicable laws, codes and regulations and the construction of the Project will be completed in accordance therewith.

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

(l) Neither the Manager nor any of its Affiliates nor the Company have entered into any agreement or contract for the payment or offset of any construction loan or loan discounts, additional interest, yield maintenance or other charges or financing fees or any agreement to incur any financial responsibility with respect to the Project or providing for the guaranty of payment of any such interest charges or financing fees relating to the Loan Documents or for any kickback or rebate of fees under any Loan Document or other Project Document, other than those disclosed in this Agreement; and in no event have they or the Company entered into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit

arrangement) that may in any way affect allocation of the anticipated Credit to the Investor Member.

(m) Neither the Company nor the Manager (or any Affiliate thereof) is presently under any commitment to any real estate broker, rental agent, finder, syndicator or other intermediary with respect to the Company, the Project, or any portion thereof, except for any arrangements specifically described in this Agreement and arrangements previously disclosed in writing to the Investor Member, which have received the Consent of the Investor Member.

(n) Except as provided in this Agreement and the Reimbursement Agreement by and between the Company and HACM, as of the date hereof, there are no outstanding loans or advances from the Manager to the Company, and, except as provided in Section 5.12 the Company has no unsatisfied obligation to make any payments of any kind to the Manager or its Affiliates other than the Development Fee and the HACM Loans.

(o) The Manager reasonably believes that, during the term that any Loans are outstanding, the fair market value of the Project will exceed the amount of indebtedness, and any accrued interest thereon, secured by the Project.

(p) There are no restrictions on the sale or refinancing of the Project, other than the restrictions set forth in the Loan Documents and those imposed by HUD, the Project Documents, under Section 42 of the Code, Section 48 of the Code (to the extent applicable), or under other applicable state or federal law respecting the Credits.

(q) The Company owns the Project, the buildings comprising the Project, and each of the Units (and the tangible and intangible personal property thereof), free and clear of any liens, charges, or encumbrances other than the Mortgages, matters set forth in the Title Policy, and mechanics' or other liens that have been disclosed to the Investor Member in writing and bonded against in such a manner as to preclude the holder of such lien from having any recourse to the Project, any of the Units, or the Company for payment of any debt secured thereby. As of the date hereof, the Manager has not received notice of any such liens, charges, or encumbrances.

(r) All building, zoning, and other applicable certificates, permits, and licenses necessary to permit the construction, use, occupancy, and operation of the Project have been obtained (other than such as will be issued only after the Completion Date of the Project or any specified portion thereof), all improvements constructed or to be constructed on the Project have been or will be constructed and equipped in full compliance with the requirements of the Project Documents, of the Lenders and of all governmental authorities having jurisdiction over the Project including, without limitation, the Federal Fair Housing Act, as amended, and neither the Company nor the Manager has received any notice, or has any knowledge, of any violation with respect to the

Project of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction that would have a material adverse effect on the Project or the Company's investment in the Project (including the Company's ability to transfer the Project in accordance with terms of this Agreement) or the construction, use, occupancy, or operation thereof. The completion of any improvements, construction, alteration or rehabilitation on or of the Project or any portion thereof will not require the dedication of any portion of the Project to any applicable governmental entities.

(s) The Project has permanent unrestricted access to appropriate public roadways. All public utilities necessary to the operation of the Project, including, but not limited to, sanitary and storm sewers, water, gas (if applicable), telephone and electricity, are or will by the date each Unit in the Project is placed in service be, and will remain available to and connected to, the Project and each of the Units. The Project is an independent unit which does not rely on any drainage, sewer, access, parking, structural or other facilities located on any property not included in the Project or on easements for the (i) fulfillment of any zoning, building code or other requirement of any governmental entity that has jurisdiction over the Project, (ii) structural support, or (iii) the fulfillment of the requirements of any lease or other agreement affecting the Project. The Company, directly or indirectly, has the right to use all amenities, easements, public or private utilities, parking, access routes or other items necessary for the construction or operation of the Project. The Project is either (i) contiguous to, or (ii) benefits from an irrevocable unsubordinated easement permitting access from the Project to, a physically open, dedicated public street, and has all necessary permits for ingress and egress and adequate public water, sewer systems and utilities are available to the Project. No building or other improvement not located on the Project relies on any part of the Project to fulfill any zoning requirements, building code or other requirement of any governmental entity that has jurisdiction over the Project for structural support or to furnish to such building or improvement any essential building systems or utilities.

(t) No amendments, modifications, or other changes or additions have been made to the Environmental Reports. Further, the Manager represents, warrants and covenants to the Investor Member, as follows:

(1) To Manager's knowledge, after due inquiry, except as set forth on the Environmental Reports, there presently are not in, on or under the Project, and from and after the Completion Date, there will be, no Environmental Hazard subject to regulation under applicable Environmental Laws.

(2) To Manager's knowledge, after due inquiry, except for any matters set forth in the Environmental Reports, that the Project is in compliance with all applicable Environmental Laws and the Manager has not received notice of any violations of the Environmental Laws. The Manager covenants and agrees to take all reasonably necessary action within its control to ensure that

the Project is in compliance with the Environmental Laws at all times, and shall implement all recommendations set forth in the Environmental Reports prior to the Completion Date. The Manager shall promptly deliver any notice it may receive of any violation of the Environmental Laws to the Company. For purposes of this Section 5.6(t), in addition to Manager's actual knowledge, due inquiry consists of review of said Environmental Reports, and any additional reports or testing of the Project required or suggested in said Environmental Reports.

(3) During each inspection of the Project conducted by the Manager, the Manager shall determine whether the Project has or has the potential for mold or moisture problems. If the Manager determines that such problems do or potentially could exist, the Manager shall cause the prompt (a) remediation of all existing mold and moisture problems; and (b) implementation of a moisture management and control program for the Project. Such moisture management program shall comply with all Environmental Laws, with all applicable requirements set forth in the Environmental Reports and with any then-current industry best practices and shall be subject to the Consent of the Investor Member, which shall not be unreasonably withheld.

(4) The Manager shall take all actions reasonably necessary to ensure that the Project contains no, and is not affected by the presence of, any Environmental Hazard, and to ensure that the Project is not in violation of any federal, state, or local statute, law, regulation, rule, or ordinance, including any Environmental Law. The Manager shall promptly deliver to the Investor Member any notice received from any source whatsoever of the existence of any Environmental Hazard on the Project or of a violation of any federal, state, or local statute, law, regulation, rule or ordinance, including any Environmental Law with respect to the Project. If any Environmental Hazard (including lead-based paint and asbestos) is found to exist or be present, the Manager shall commence promptly the taking of action to assure it will be either removed from the Project 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 (including any Environmental Laws), regulations, rules and ordinances, any recommendations set forth in the Environmental Reports, and any requirements in the Loan Documents.

(5) The Company and the Manager, jointly and severally, shall indemnify and hold harmless the Investor Member (the "Indemnified Party") from and against all claims, actions, causes of action, damages, costs, liability and expense (including, without limitation, reasonable attorneys' fees and expenses, court costs and remedial response costs) incurred or suffered by, or asserted by any Person, entity or governmental agency against the Indemnified Party, based upon a violation of the Environmental Laws, or respecting the presence of Environmental Hazards, subject to regulation by the Environmental Laws in, on or under the Project. Notwithstanding the

foregoing, the Manager shall not have an indemnification liability if the violation of the Environmental Laws or the presence of the Environmental Hazards arises solely after the effective date of the Manager's removal or following any withdrawal or transfer of its entire Interest. The foregoing indemnification shall be a recourse obligation of the Manager and the Company, and shall survive the dissolution of the Company, the death, retirement, incompetency, insolvency, bankruptcy, dissolution, removal or withdrawal of the Manager and/or transfer of the Manager's Interest. The indemnification authorized by this Section shall include, but not be limited to, direct and indirect costs and expenses incurred by the Investor Member (including reasonable attorneys' fees and expenses), including, without limitation, the removal of any liens affecting any property of the indemnitee as a result of such legal action and any Credit Deficiency.

If, at any time during the term of the Company, the Investor Member determines that the foregoing representations may not have been true when made, or may have become untrue, the Manager shall promptly obtain an environmental audit of the Project. The scope of such audit and the company performing it shall be reasonably acceptable to the Investor Member.

(u) Amounts paid to the Manager and/or its Affiliates for services are reasonable in relation to the value of services provided and relate solely to the services actually rendered to the Company pursuant to agreements disclosed to, and acceptable to, the Investor Member.

(v) The Company has obtained Bond Certification and all information contained in the applications for the Credit is complete and correct in all material respects.

(w) The Manager shall, within 10 days of its receipt, provide to the Investor Member a copy of (i) the Bond Certification, the Extended Use Agreement and any Forms 8609 issued to the Company and (ii) any temporary or permanent certificates or permits of occupancy. The Manager shall timely execute and record in the appropriate filing office the Extended Use Agreement. The Manager shall cause the Extended Use Agreement to timely satisfy all requirements of Section 42(h)(6) of the Code, including without limitation Revenue Ruling 2004-82, as issued by the IRS on July 29, 2004. In addition, the Project is located in a "qualified census tract" or a "difficult to develop area" as defined in Code Section 42(d)(5)(B)(ii) and (iii) or received a "basis boost" as defined in Code Section 42(d)(5)(B)(v).

(x) [Reserved].

(y) The Company will use diligent efforts to construct the Project and thereafter operate it, as low-income housing as required by the Code in order to qualify for and maintain the Credit and other tax benefits anticipated in connection therewith, pursuant to the Projections.

(z) The Company has not made any elections under the Code without the Consent of the Investor Member that would affect the amount, timing, availability, or allocation of Credits or losses.

(aa) At least 50% of the aggregate basis of each building of the Project and the land on which such buildings are located for purposes of Section 42(h)(4) of the Code will be financed by proceeds of Bonds exempt from taxation under Section 103 of the Code which have been issued under the volume cap limitations imposed by Section 146 of the Code. Principal payments on the Loans made by the HCA to the Company with proceeds of the Bonds shall not be made prior to the later of December 31, 2020, and the date all the Credit Units are placed in service.

(bb) No portion of the Project is or will be treated as tax-exempt use property as defined in Section 168(h) of the Code and the Manager shall take all actions necessary or appropriate to prevent such treatment. In order to prevent characterization of any portion of Company property as tax-exempt use property due to application of the Qualified Income Offset provisions set forth in Section 7.4 hereof, in no event shall the Company (i) own any oil and gas properties, (ii) constitute a family partnership as defined in Section 704(e) of the Code, (iii) allow any change in the Manager's interest in the Company as described in Section 706(d) of the Code, (iv) make distributions of any of the Company's Section 751 property or (v) make any distributions to the Manager which create a deficit Capital Account balance not expected to be offset by adjustments increasing the Manager's Capital Account balance within the same Fiscal Year as the distribution. In the event a tax allocation required under the terms of this Agreement results in any allocation to the Manager failing to constitute a qualified allocation as defined in Section 168(h)(6)(B) of the Code, the Company shall do everything within its power to allocate the absolute minimum share of Company income or gain to the Manager in order to minimize the proportionate share of Company property which may be treated as tax-exempt use property.

(cc) The Project has been acquired, has been and will be operated at all times beginning with the first day of the Compliance Period (as defined in Section 42(i)(1) of the Code) in a manner which satisfies all requirements and restrictions, including tenant income and rent restrictions, applicable to projects which qualify for the Credit and all requirements under the Loans and the Extended Use Agreement, including, without limitation, the following:

(1) All of the Credit Units in the Project shall be occupied by households with income at or below an average of sixty percent (60%) of the area median gross income, or held vacant and available for occupancy by such tenants. The Manager shall not, by act or omission, permit any act to be taken that would cause the termination or discontinuance of the qualification of each Credit Unit, as a "low income unit" under Section 42(i)(3) of the Code or the qualification of the Project as a "qualified low income housing project" under Section 42(g)(1)(B) of the Code and any Treasury Regulations and rulings

promulgated thereunder. The Manager may cause the Company to elect the average income test described in Section 42(g)(1)(C) of the Code ("**Average Income Test**") as the minimum set-aside on Part II of the Form 8609; provided that, prior to leasing the first Unit in the Project, the Members agree to cooperate in good faith to amend this Agreement and any required Project Documents to ensure compliance with then applicable guidance from the IRS and/or the HCA.

(2) The gross rents paid by tenants of Credit Units shall not exceed the lesser of (a) the qualifying income standard applicable to the Project pursuant to Code Section 42(g)(2)(A), generally thirty percent (30%) of the qualifying percentage (i.e., 60% of the imputed median gross income as adjusted by the applicable utility allowances), and (b) those rental amounts approved by the HCA from time to time and the Manager shall cause the Project to comply with all applicable next available unit rules under Section 42 of the Code.

(3) The Units in the Project will be suitable for occupancy.

(4) The Units in the Project will not be used on a transient basis.

(5) The Manager shall elect to begin the Credit Period in 2021 or such alternate date as shall be acceptable to the Investor Member; provided, however, that if the Project is not anticipated to meet the Income Averaging Set-Aside requirement by the end of 2021, the Manager shall elect to begin the Credit Period in 2022 and shall pay any applicable timing adjusters then due and owing pursuant to Section 3.3 in connection therewith. The Manager shall make a timely election under Section 42(g)(3) of the Code to treat this Project as a multi-building Project.

(6) During the Extended Use Period, the Manager shall prepare and submit to the Secretary of the Treasury, the HCA (and/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 ensure that the Company (and its Members) will continue to qualify for the Federal Credit and State Credit for each of the Credit Units and the Project, and (ii) to avoid recapture, reduction or disallowance of the Federal Credit and State Credit or the imposition of penalties or interest on the Company or any of the Members for failure to comply with the Code or applicable State law. The Manager agrees to cause the Company to pay, as and when due, any fees charged by the HCA for monitoring credit compliance.

(7) All common area improvements within the Project will be made available only to tenants of the Project and at no charge, based on rules uniformly enforced and on a comparable basis, and such facilities and improvements are of a size appropriate for a project of the size of the Project.

(8) The Project has no commercial space.

(9) The Manager shall cause the Project to comply with the applicable tenant income and rental restrictions of the HCA (the "***LURA Restrictions***"), including the following restriction: Units be rented to tenants whose income does not exceed an average of 60% of area median income at rents not to exceed 30% of the applicable designated area median income ("***AMI***") for such Unit. The Manager anticipates the Project to meet the following specific rental and income designations: seventy-two (72) of the Units be designated as 50% AMI Units, fifty-one (51) of the Units be designated as 60% AMI Units and fifteen (15) of the Units be designated as 80% AMI Units and further, forty-five (45) of the 50% AMI Units be two-bedroom units (and the rest three-bedroom), twenty (20) of the 60% AMI Units be two-bedroom units, twenty (20) of the 60% AMI Units be three-bedroom units (and the rest four-bedroom), five (5) of the 80% AMI Units be two-bedroom units, and five (5) of the 80% AMI Units be three-bedroom units (and the rest one-bedroom). The Manager shall cause to be kept all records and shall timely submit all certifications, financial and tenant reports and any other documentation required to satisfy the LURA Restrictions.

(dd) For federal income tax purposes, the Company and the Manager each reports, and shall continue to report its income on the accrual method of accounting. On behalf of the Company, the Manager has filed, and will continue to file, any and all certifications and other documents on a timely basis with the IRS, the Wisconsin taxing authorities and any other federal, state or local governmental agency or political subdivision as have been and may be required to support the annual allocation of Credits, all of which certifications and other documents (including without limitation Forms 8609 and Schedule A thereto) shall be in all respects reasonably acceptable to the Investor Member as to form and substance and in full accordance with applicable law. The Manager shall provide the initial Forms 8609 and all federal tax returns of the Company to the Investor Member at least 14 calendar days (but in all events within 10 days of receipt thereof by the Manager) prior to the date such Forms are required to be filed with the IRS.

(ee) The Company maintains and will continue to maintain insurance on all Company activities and the Project which complies with the terms specified in this Agreement.

(ff) No attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings are pending or threatened against the Company, any Guarantor or the Manager.

(gg) To the Manager's knowledge, after due inquiry, there is not any plan, study or effort of any applicable governmental entities, which in any way would materially adversely affect the use of the Project for its intended uses or any intended public improvements which will result in any material charge being

levied against, or any material lien assessed upon, the Project. To the Manager's knowledge after due inquiry, there is not any existing, proposed or contemplated plan to widen, modify or realign any street or highway contiguous to the Project.

(hh) To the Manager's knowledge, after due inquiry, there are no defects or conditions of the soil which will materially adversely affect the use, occupancy and operation of the Project, and no need for unusual or new subsurface excavations, fill, footings, caissons or other installations. The Manager will cause the Project, as built, to be constructed in a manner compatible with the soil condition at the time of construction and all necessary excavations, fills, footings, caissons and other installations will then have been provided.

(ii) Neither the Manager nor the Company has received any written notice from any insurance company or any applicable governmental entity, nor has any knowledge, of any violation of applicable codes or insurance requirements or any defect in, on or about the Project.

(jj) The Company has not entered into any contracts for the sale of the Project, nor do there exist any rights of first refusal or options to purchase the Project, except as provided herein.

(kk) To the Manager's knowledge after due inquiry, no circumstances now exist that would materially and adversely affect the reasonable likelihood of achieving the objectives and the benefits set forth in the Projections attached hereto as Exhibit F. All of the Project information and assumptions in the Projections, including, without limitation, Project development budget costs, rents, utility costs, based upon tenant utilities (other than phone and cable) being paid by the Company and other operating and maintenance expenses, depreciation, the Lease-up Period and the funding of Project loans are accurate and achievable.

(ll) Except for the HACM Loans, none of the Members or the Company has or will have, pursuant to the terms of the Loans, any personal liability as maker, guarantor, partner or otherwise with respect to the payment of principal or interest on the Loans, and in the event of default thereon, the sole recourse of any Lender or other lender shall be to the Project and pledged collateral.

(mm) The development and operation of the Project shall be undertaken in a manner that complies with the provisions of all applicable Federal, State or local laws prohibiting discrimination on the grounds of age, race, color, religion, creed, sex, handicap, familial status or national origin, including any applicable requirements of Title VI of the Civil Rights Act of 1964; the Fair Housing Act of 1968 and the Housing for Older Persons Act; the Americans with Disabilities Act; the Age Discrimination Act of 1975; all requirements under Section 42 of the Code respecting use of the Units by the general public; and all requirements imposed by or pursuant to the regulations implementing these authorities.

(nn) Unless otherwise Consented to by the Investor Member, the Manager shall make, on behalf of the Company, an election to be treated as an "electing real property trade or business" under Section 163(j)(7)(B) of the Code and timely provide evidence of making such election to the SM. The Manager shall cause the Company to depreciate its real property utilizing the alternative depreciation system of Section 168(g) of the Code, notwithstanding anything to the contrary contained herein. The Company shall claim, to the extent permitted by the Code, bonus depreciation on site improvements and personal property.

(oo) The parties hereto acknowledge that the TCJA was enacted into federal law on December 22, 2017. The Manager shall cooperate with the Investor Member in good faith to amend this Agreement if the Investor Member determines that an amendment is required to mitigate any adverse impact the TCJA may have on the Investor Member's tax benefits set forth in the Project Forecast.

(pp) Anti-Money Laundering/International Trade Law Compliance.

(1) The Manager hereby represents, warrants and covenants to the Investment Member that the following are presently true and will be true throughout the term of this Agreement (provided any capitalized terms in this Section 5.6(pp) not defined in Article II of this Agreement shall be as defined in clause (2) below):

(i) No Covered Entity is a Sanctioned Person. No Covered Entity, either in its own right or through any third party, (a) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (b) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (c) engages in any dealings or transactions prohibited by any Anti-Terrorism Law; and

(ii) No Covered Entity will become a Sanctioned Person. No Covered Entity, either in its own right or through any third party, will (a) have any of its assets in a Sanctioned Country or in possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (b) do business with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (c) engage in any dealings or transactions prohibited by any Anti-Terrorism Law; or (d) use the Permitted Loans to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law. The Permitted Loans will not be repaid from proceeds derived from any unlawful activity. Each Covered Entity shall comply with all Anti-Terrorism Laws. The Manager shall promptly notify the SM in writing upon the occurrence of a Reportable Compliance Event.

(2) Defined Terms.

(iii) "Anti-Terrorism Laws" shall mean any Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering or bribery, and any regulations, order, or directive promulgated, issued or enforced pursuant to such Laws, all as amended, supplemented or replaced from time to time.

(iv) "Covered Entity" shall mean (a) the Company, the Manager, the Developer, the Guarantor, any subsidiaries of the foregoing and (b) each Person that, directly or indirectly, is in control of a Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the direct or indirect (x) ownership of, or power to vote, 25% or more of the issued and outstanding equity interests having ordinary voting power for the election of directors of such Person or other Persons performing similar functions for such Person, or (y) power to direct or cause the direction of the management and policies of such Person whether by ownership of equity interests, contract or otherwise.

(v) "Governmental Body" shall mean any nation or government, any state or other political subdivision thereof or any entity, authority, agency, division or department exercising the executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to a government (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including, without limitation, the Financial Accounting Standards Board, the Bank for International Settlements, or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

(vi) "Law" shall mean any law(s) (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, issued guidance, release, order, executive order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or any settlement arrangement, by agreement, consent or otherwise, with any Governmental Body, foreign or domestic.

(vii) "Reportable Compliance Event" shall mean that any Covered Entity becomes a Sanctioned Person, or is charged by indictment, criminal complaint or similar charging instrument, arraigned, or custodially detained in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or has knowledge of facts or circumstances to the effect that it is reasonably likely that any aspect of its operations is in actual or probable violation of any Anti-Terrorism Law.

(viii) "Sanctioned Country" shall mean a country subject to a sanctions program maintained under any Anti-Terrorism Law.

(ix) "Sanctioned Person" shall mean any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person, group, regime, entity or thing, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any Anti-Terrorism Law.

(qq) In the event further guidance is issued by the IRS or the HCA in connection with the Income Averaging Set-Aside, then, in such case, the Manager and Investor Member shall cooperate with each other in good faith to amend this Agreement (subject to any required Lender consents) if the Manager and/or Investor Member determines in good faith and in its reasonable discretion that an amendment is required to implement the parties' intent with respect to the application of the Income Averaging Set-Aside to the Project or to mitigate any adverse impact that such new guidance may have on the Investor Member's or Manager's respective tax benefits set forth in the Projections.

(rr) The HCA has approved the use of the Income Averaging Set-Aside for the Project.

5.7 Additional Covenants of the Manager

The Manager covenants to the Investor Member that for the Term:

(a) The Manager shall cause the Company to do all things necessary to maintain its status as a limited liability company in good standing and had, has, and shall continue to have full power and authority to acquire the Project and to develop, construct, operate, and maintain the Project in accordance with the terms of this Agreement and to enable the Company to engage in its business.

(b) The Manager shall not act in any manner that will cause (i) the Company to be treated for federal income tax purposes as an association taxable as a corporation, (ii) the Company to fail to qualify as a limited liability company under the Act, or (iii) the Investor Member to be liable for Company obligations.

(c) The Manager, on behalf of the Company, shall continue to take all action under the laws of the State and any other applicable jurisdiction that is necessary to protect the limited liability of the Investor Member.

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

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

(f) The Manager shall promptly inform the Company of any litigation, action, investigation, event, or proceeding that is pending respecting the Company, the Manager, the Project and/or any Guarantor (which, if adversely resolved against Guarantor, would be subject to (i) or (ii) below), including without limitation, any failed REAC (Real Estate Assessment Center)

inspections and, within five (5) days of receipt thereof, any Form 8823 notices of non-compliance received by the Company and, further, upon receipt of any notice or knowledge shall promptly inform the Company of any such matter which is threatened which, if adversely resolved, would (i) have a material adverse effect on the Company or the Project; (ii) have a material adverse effect on the ability of the Manager, a Guarantor or any of their respective Affiliates to perform their respective obligations under this Agreement; (iii) have an adverse effect on any adjacent property, which would have a material adverse effect on the Project or the Company's investment in the Project; (iv) have a material adverse effect on the financial condition of the Manager, or any Guarantor; or (v) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Agreement.

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

(h) The Manager shall furnish to the Investor Member, within ten (10) business days of receipt thereof, a copy of any notice of default under the Loan Notes, the Mortgages, any of the Project Documents, or any of the Loan Documents given to the Company or the Manager.

(i) The Manager will not cause or allow restrictions on the sale or refinancing of the Project, other than the restrictions set forth in the Loan Documents and the Project Documents.

(j) The Manager will cause all of (i) the fixtures, maintenance supplies, tools, equipment and like owned or to be owned by the Company or to be appurtenant to, or to be used in the operation of the Project as well as (ii) the rents, revenues and profits earned from the operation of the Project, to be free and clear of all security interests and encumbrances except for the liens and security interests of the Loans described herein.

(k) The Manager or its Affiliates shall cause the construction to be completed substantially in accordance with the relevant Project Documents and thereafter operated as low-income housing as required by the Code, in order to qualify for and maintain the Credit and other tax benefits anticipated in connection therewith. In addition, the Manager shall use commercially reasonable efforts to obtain all applicable permanent certificates of occupancy for the Project no later than the Completion Date. The Manager or its Affiliates shall obtain all building, zoning, environmental, wetland and other applicable certificates, permits, and licenses necessary to permit the construction, use, occupancy, and operation of the Project that are obtainable only after completion

of the Project or a specified portion thereof. All improvements constructed or to be constructed on the Project shall be constructed and equipped in full compliance with the requirements of all governmental authorities having jurisdiction over the Company Project.

(l) The Manager will cause the Company to keep all public utilities necessary to the operation of the Project, 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.

(m) The Manager will cause the Project, including each of the Units, to be operated in compliance with all applicable zoning regulations, ordinances, and subdivision laws, rules, and regulations.

(n) The Manager will cause the Company to maintain insurance against risks that are of a character usually insured by Persons engaged in a similar business and in form and amount and covering such risks as is usually carried by such Persons including, but not limited to, insurance of the type described in the Insurance Requirements Checklist attached as Exhibit G; provided, however, that: (i) in addition to such requirements, the Company shall at all times comply with the insurance requirements imposed by the Lenders and/or required by the Investor Member; (ii) all such insurance policies are and shall be in full force and effect during the Term of the Company; and (iii) the Investor Member shall be named as a certificate holder and an additional insured on each such policy and shall have the right to receive thirty (30) days' notice prior to any termination or reduction of coverage by the insurer.

(o) The Manager will secure from each general contractor a one hundred percent (100%) payment and performance bond in the amount of the construction contract, naming the Investor Member as co-obligee thereon pursuant to Co-obligee Rider. The Manager shall receive the Consent of the Investor Member prior to executing any agreements with general contractors (such Consent not to be unreasonably withheld, conditioned or delayed).

(p) The Manager shall investigate and report to the Investor Member any proposal or offer of any Person, including the Manager, to acquire the Project or the Interest of the Investor Member.

(q) The Manager will cause the Company to comply in all material respects with all of the terms and conditions of the residential lease agreement for each of the Units.

(r) The Manager shall not employ any Person as an employee of the Company.

(s) The Manager will (i) execute on behalf of the Company all documents necessary to elect, pursuant to Sections 734, 743, and 754 of the

Code, to adjust the basis of the Company's property, if, in the sole opinion of the accountants for the Investor Member, such election would be advantageous to the Investor Member; (ii) provide to the accountants for the Investor Member for review and approval before filing each IRS Form 8609 Tax Credit Allocation and any applicable State credit certifications for the Project; and (iii) make such elections on the IRS Form 8609 Tax Credit Allocation and any applicable State credit certifications which in the sole opinion of the accountants for the Investor Member, are advantageous to the Investor Member. In addition, the Manager shall obtain the Consent of the Investor Member to make any election under the Code that would affect the amount, timing, availability, or allocation of Credits or losses.

(t) The Manager will not cause the Company to accept any grant of funds after the Admission Date without the Consent of the Investor Member, which shall not be unreasonably withheld.

(u) The Company will not charge the tenants of the Project for the use of any of the common area facilities (other than the coin-operated laundry facilities that may be leased by the Company and used on the premises).

(v) Other than those loans disclosed to, and approved by, the Investor Member in writing, neither the Manager nor any of its Affiliates nor the Company shall enter into any agreement or contract for the payment or offset of any construction loan or loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement to incur any financial responsibility with respect to the Project or providing for the guaranty of payment of any such interest charges or financing fees relating to any loan or enter into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that would subject the Company or any of its Members, to personal liability or, in the opinion of counsel to the Investor Member, economic risk of loss as to a loan, nor shall the Manager make any loan that shall be personally enforceable by any lender of a loan or that may in any way affect allocation of Credit to the Investor Member.

(w) The Manager agrees that it will not cause the Investor Member to become, and it will take all steps necessary to prevent the Investor Member at any time from becoming, personally liable for payment or performance under the Loan Notes or the Mortgages. Except for the HACM Loans, the Manager agrees that neither it nor any of its Affiliates will at any time become, in the opinion of counsel to the Investor Member, subject to any economic risk of loss within the meaning of Treasury Regulation Section 1.752-2, or any successor provision, with respect to any Company obligation. Except for the HACM Loans, the sole recourse of the Lenders under the Loan Notes with respect to the principal thereof, interest thereon or any other obligation thereunder, shall be to the assets of the Company and the Loan Notes shall contain similar nonrecourse provisions.

(x) The Manager, in its capacity as Manager and not Developer, is exclusively responsible for negotiating and performing all services incident to (i) the Company's acquisition of the land underlying the Project, (ii) the arranging of appropriate equity and permanent financing with respect to the Project (including, but not limited to, reviewing the State's qualified allocation plan, applying for Credits and obtaining such marketing and feasibility studies and appraisals as it deems reasonably necessary) and (iii) organization and formation of the Company. In addition, it is responsible for the management and operation of the Company, including the oversight of the rent-up and operational stages of the Project, and it shall promptly take all action that may be reasonably necessary or appropriate for the proper development, maintenance and operation of the Project in accordance with the provisions of this Agreement and the Project Documents. In this regard, among other things, it shall have the obligations to keep the Project in good working order and condition, reasonable wear and tear excepted, to not commit waste with respect to the Project and to promptly repair or replace any damage to the Project, as a Company Expense, except for those costs required to be paid by the Manager pursuant to its guaranties herein.

5.8 No Compensation

Except for fees specifically provided for herein, the Manager shall not be entitled to receive any compensation in connection with its performance of its duties as Manager.

5.9 Obligation to Complete Construction

(a) The Manager shall complete the full construction of the Project, including, without limitation, any required or recommended environmental remediation, or cause the same to be completed in a good and workmanlike manner, in accordance with the Plans and Specifications, free and clear of all defects and mechanics', materialmen's, or similar liens, on or prior to the Target Completion Date. Further, the Manager shall equip the Project or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including, without limitation, refrigerators and ranges, all in accordance with the Loan Documents and the Project Documents, and shall provide for, or cause to be provided for, all other actions and performance required to arrive at Cost Certification and the Completion Date in conformity with the Loan Documents and shall meet all requirements for obtaining and maintaining all necessary certificates of occupancy and use permits for all the Units in the Project. Any change in the designation of the Construction Manager or the Architect for the Project, or any modification of the Project Documents once they are finalized will require the Consent of the Investor Member to the extent required by the terms of Section 5.2(o) hereof. Notwithstanding the foregoing, Consent of the Investor Member to change orders, if required, shall not be unreasonably withheld. In addition, the Manager shall cause to be completed and provided to the Investor Member in a timely manner the reports required pursuant to Section 13.3(a)(1) hereof.

(b) The funds anticipated to be available to fund Project costs during construction and thereafter during the Stabilization Period (as defined below) are as follows: (i) proceeds of construction Loans; (ii) any insurance proceeds arising out of casualties payable during the Stabilization Period, if any; (iii) net rental income during the Stabilization Period; and (iv) Capital Installments due on or before the Completion Date which are to be used for construction of the Project pursuant to the Projections (the "**Development Proceeds**"). If the Development Proceeds are insufficient to:

(1) Complete the full construction of the Project, and all buildings, Units and common area thereof, (together with any and all applicable site work, off-site work, infrastructure work, demolition, environmental abatement and landscaping) of the Project, pursuant to this Section 5.9, or cause the same to be completed in accordance with the Plans and Specifications, in a good and workmanlike manner, free and clear of all defects and mechanics', materialmen's, or similar liens, and equip the Project or cause the same to be equipped, all in accordance with the Loan Documents and the Project Documents;

(2) Achieve the Cost Certification and the Completion Date, in conformity with the Loan Documents;

(3) Discharge all Company liabilities and obligations as and when such liabilities and obligations become due arising during the Stabilization Period (as defined in subsection (5) below);

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

(5) Pay all Operating Deficits for a period commencing on the date of this Agreement and ending upon achievement of Stabilized Occupancy ("**Stabilization Period**"), including, without limitation, the payment or accrual in the ordinary course of business of all Company Expenses and payment of any accrued Operating Deficits, and the funding of all Company Reserves to the extent required by the Loan Documents or hereunder;

(6) Pay and satisfy all conditions to closing and funding, or conversion, of the HACM Loans; and

(7) Pay or provide for all amounts necessary to correct latent defects discovered within 12 months after substantial completion of the Project. Such latent defects shall be cured within 15 months after substantial completion of the Project and nothing in this subsection shall be interpreted as requiring the Manager to cure latent defects discovered after the 12 months after substantial completion of the Project;

(all of the above requirements being sometimes referred to collectively hereinafter as the "**Development Completion Requirements**"), then, the Manager shall pay to the Company all

funds ("**Development Advances**") that shall be necessary to accomplish the Development Completion Requirements at such time as those costs and expenses become due and payable. Development Advances pursuant to this paragraph shall be treated as loans from the Manager to the Company repayable, without interest, solely as provided in Section 8.1 and Exhibit A-5 and Sections 8.2(c) and 12.2(a)(4) hereof; provided, however, that if the Accountants determine that such treatment as loans would prevent the Investor Member from being allocated 99.99% of Federal Credits, then the Manager's advances shall be treated as payment of damages for breach of warranty.

If the Completion Date occurs and the Development Completion Requirements have been satisfied without full utilization of the then available debt and equity proceeds (the parties hereto agree that such debt and equity proceeds shall be used to finance the construction of the Project before any use of Cash Flow for such purpose), any construction cost savings in the amount of such differential (or, if less, the amount of the budgeted construction contingency) shall be used to reduce the outstanding balance of Development Fee until paid in full and then to reduce the outstanding balance of the HACM Loans.

(c) The Manager's obligations under this Section 5.9 shall be guaranteed by the Guarantor, pursuant to the Guaranty, a form of which is attached as Exhibit D to this Agreement.

5.10 Operating Deficit Guaranty

If, at any time or from time to time, from and after the Stabilization Period, an Operating Deficit exists (which is not otherwise payable as a Development Advance, pursuant to Section 5.9), then the Manager shall advance funds (an "**Operating Deficit Advance**") to the Company in an amount equal to the amount of the Operating Deficit accruing. Obligations under this section shall continue until the 60-month anniversary of the achievement of Stabilized Occupancy; provided, however, to the extent that Stabilized Occupancy ODG Release has not occurred and/or the Operating Reserve is not fully funded as required pursuant to this Agreement, then the expiration of the Operating Deficit obligation shall be extended until such time as Stabilized Occupancy ODG Release has occurred thereafter and the Operating Reserve is fully funded on such date as required pursuant to this Agreement. The Manager's obligation under this Section 5.10 shall be limited to a maximum amount of $568,100; provided, however, that such limitation shall not apply in the event of fraud or willful misconduct by the Guarantor, the Manager or by the Management Agent, if the Management Agent is an Affiliate of the Guarantor or the Manager.

Operating Deficit Advances shall be treated as loans repayable, without interest, solely as provided in Section 8.1 and Exhibit A-5 and Sections 8.2(c) and 12.2(a)(4) hereof; provided, however, that if the Accountants determine that such treatment as loans would prevent the Investor Member from being allocated 99.99% of Federal Credits, then the Manager's advances shall be treated as payment of damages for breach of warranty. The Manager's obligations under this Section 5.10 shall be guaranteed by the Guarantor, pursuant to the terms of the Guaranty, in the form attached as Exhibit D.

5.11 Development Fee Guaranty

To the extent that all or any part of the Development Fee, together with any interest thereon, if any, is not paid by the Completion Date, whether or not originally budgeted in the Projections as payable from Cash Flow, then and in that event, if such Development Fee is included in the Project's qualified basis pursuant to Section 42 of the Code (as established by the Cost Certification) in order to achieve 100% of the Credit available to the Project, such Development Fee shall not bear interest. To the extent not sooner paid from Cash Flow or Capital Proceeds, in accordance with the terms of this Agreement, all unpaid Development Fee, together with applicable interest, shall be paid by the Manager to the Company as a Development Fee Advance, on the 13th anniversary of said Completion Date. The Manager's obligations under this Section 5.11 shall be guaranteed by the Guarantor pursuant to the terms of the Guaranty, in the form attached as Exhibit D.

5.12 Dealing with Affiliates; Fees

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

5.13 Obligation to Purchase Interest of Investor Member

(a) The Manager shall be obligated, as provided in Section 5.13(b), to purchase the Investor Member's Interest for the aggregate Repurchase Price set forth in Section 5.13(b) below, if: (i) the approval of a Lender is required for the transfer of the Investor Member's Interest in the Company pursuant to Section 10.1, and such Lender disapproves of such transfer, (ii) failure to (A) commence construction within 90 days of the date of this Agreement, (B) achieve the Completion Date by December 31, 2022, or (C) place the Project in service (for purposes of Section 42 of the Code) by September 30, 2022, (iii) upon the Completion Date, the Special Member determines that less than fifty percent (50%) of the aggregate basis of each building in the Project and the land on which such building is located (as provided in Section 42(h)(4) of the Code) has been financed by proceeds of tax exempt bonds under Section 103 of the Code which were issued under the volume limitations pursuant to Section 146 of the Code, (iv) prior to mortgage loan conversion and the achievement of Stabilized Occupancy, any interim or permanent Loan commitment is withdrawn or materially and adversely modified and not replaced within 60 days, (v) Mortgage loan Commencement has not been achieved by the due date of any interim Loan commitment or the permanent Loan commitment is withdrawn, (vi) the Company does not receive all IRS Forms 8609 with respect to the Project within twelve (12) months of the Completion Date, (vii) the Company fails to comply with all material uncured Credit compliance requirements, (viii) prior to the Third Capital Installment, the Manager voluntarily withdraws from the

Company, or the Manager or Guarantor declares an Event of Bankruptcy or causes an Event of Default, (ix) the sale of the Manager's entire Interest in the Company without the Consent of the Investor Member, (x) prior to the Completion Date, any substantial damage to or destruction of the Project shall occur and the applicable insurance proceeds shall not be made available for the restoration of the Project or shall not together with any other available proceeds, in the reasonable opinion of the Investor Member, be sufficient to repair and restore the Project in a manner that would qualify for the aggregate Credit projected to be allocable to the Investor Member or the Project is not restored within 24 months following such casualty, (xi) the Company or the Manager shall have obligated itself to a party other than the Investor Member or the Special Member with regard to the syndication or acquisition of any Company Interest or (xii) the conditions for payment of the First Capital Installment are not achieved within 90 days of the date hereof.

(b) Upon the occurrence of any of the events specified in Section 5.13(a), the Manager shall, within ten (10) days thereafter, give Notice to the Investor Member of the occurrence of such event and of the Manager's obligation to purchase the Investor Member's Interest. The Investor Member may by Notice to the Manager at any time after becoming aware of the events specified in Section 5.13(a), (regardless of whether the Manager has complied with the ten (10) day Notice requirement described in this Section 5.13(b)), elect to require the Manager to purchase the Investor Member's Interest for an amount equal to the following (collectively, the "Repurchase Price"): (i) 100% of the Investor Member's Capital Contributions paid to such date (together with interest thereon at 12% per annum from the date of funding such Capital Installment(s)), plus (ii) the Investor Member's reasonable third party expenses associated with such repurchase, plus (iii) any Tax Equivalency Payment and all other loans and amounts advanced to such date by the Investor Member or any Affiliate and not previously repaid, (iv) less the value of any Federal Credits (the value of which shall be $1.00) previously allocated to the Investor Member and not recaptured or likely to be subject to recapture (as reasonably determined by the Investor Member), (v) less the value of any State Credits (the value of which shall be $0.70) previously allocated to the Investor Member and not recaptured or likely to be subject to recapture (as reasonably determined by the Investor Member). Notwithstanding the foregoing, if the Manager objects to the amount of Credits that are subject to recapture as determined by the Investor Member and upon the third year following the expiration of the Compliance Period, such Credits have not been recaptured, then the Investor Member (or its successor or assign) shall pay to the Guarantor an amount equal to the value of those Credits (the value of which shall be $1.00 for Federal Credits and $0.70 for State Credits) that were determined by the Investor Member to be subject to recapture but were not so recaptured together with interest on such amount beginning with the month the Repurchase Price was received by the Investor Member equal to the long-term applicable federal rate compounded annually for the month in which the Repurchase Price was received by the Investor Member. If the Investor Member elects to have its Interest purchased, the Manager shall purchase such Interest

within ten (10) days after Notice from the Investor Member of its election to have its Interest purchased and shall indemnify the Investor Member, and hold it harmless from and against, any and all claims or other liability arising respecting the Investor Member's Interest (other than claims or other liabilities caused by the Investor Member). The Investor Member may unconditionally waive at any time its right to require the Manager to purchase its Interest by reason of the application of any of the numbered clauses of Section 5.13(a). After such waiver in writing by the Investor Member the Manager shall have no further obligation to purchase by reason of the application of the clause to which such waiver relates; provided, however, that the Investor Member's election not to have its interest purchased by reason of the application of one such clause shall not constitute a waiver with respect to any future obligation of the Manager to purchase its Interest by reason of the application of any other such clause.

5.14 Reserves

The Manager shall cause the Company to establish and maintain the Reserves described on Exhibit A-7.

5.15 Action for Breach

(a) The representations, warranties and covenants in this Agreement are being made by the Manager to the Investor Member in consideration for the investment in the Company by the Investor Member. Upon the occurrence of any breach of any representation, warranty, covenant or agreement contained herein, the Manager shall diligently attempt to cure such breach. If such breach is not susceptible to cure, or if the Manager fails to pursue a cure diligently and within the cure period therefor, if any, set forth in Section 9.2 hereof, then the Investor Member may pursue any remedy available hereunder or other legal or equitable remedy against the Manager, without being required to dissolve the Company and notwithstanding the availability of any other remedy.

(b) In addition, and not in substitution for any other remedies hereunder, upon any failure by the Manager and/or any Guarantor to fully and timely satisfy their respective obligations under this Agreement or the Guaranty, in addition to all of Investor Member's remedies hereunder, in the Guaranty, at law or in equity, there will be priority Cash Flow distributions as directed by the Investor Member (the "Default Cash Flow Priority"), having that priority set forth in Exhibit A-5, of 100% of Cash Flow remaining, after prior payment of the Asset Management Fee and unpaid Credit Adjuster Payments and Tax Equivalency Payments then due, together with interest thereon, if any, to be applied to the payment of the applicable default, until such default has been fully cured.

5.16 [Intentionally Omitted]

5.17 Accountants

Upon a failure by the Accountants to provide the professional services required hereunder, the Investor Member shall have the right, upon delivery of written notice to the Manager, to require the Manager to replace the Accountants with alternate independent certified public accountants reasonably acceptable to the Investor Member, from time to time, so long as such requirement does not result in a breach of any existing contract with the Accountants.

ARTICLE VI

RIGHTS AND OBLIGATIONS OF THE INVESTOR MEMBER

6.1 Limitation on Liability of the Investor Member

Notwithstanding any other provision of this Agreement, the liability of the Investor Member shall be limited to its Capital Contributions at any given time as and when payable under the provisions of this Agreement. The Investor Member shall not have any other liability to contribute money to, or in respect of the liabilities, obligations, debts or contracts of the Company, nor shall the Investor Member be personally liable for any liabilities, obligations, debts or contracts of the Company. The Investor Member shall not be obligated to make loans to the Company. No vote, Consent or other action of the Investor Member shall ever be construed to make the Investor Member liable as a manager or cause the Investor Member to be liable for Company obligations.

6.2 Indemnification of the Investor Member

The Manager and the Company, jointly and severally, shall indemnify and hold the Investor Member harmless from any claims, demands, losses, damages, liabilities, lawsuits and other proceedings, judgment, awards, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by the Investor Member as a result of actions against the Investor Member in its capacity as investor member of the Company, except to the extent a court of competent jurisdiction determines the same were incurred by the Investor Member while not acting in accordance with the terms of this Agreement applicable to the Investor Member. In addition, the Manager and the Company, jointly and severally, shall defend, indemnify, and save harmless the Investor Member from, and be liable to the Investor Member for: any loss, liability, claim, damage, cost, expense, or other obligation (including reasonable attorneys' fees and expenses) arising out of the Manager's fraud, willful misconduct, malfeasance, breach of fiduciary duties, material breach of, or material non-compliance with, any covenant, or agreement set forth in this Agreement, or, as updated in accordance with this Agreement, any representation or warranty set forth in this Agreement, and/or actions performed outside the scope of the authority of the Manager pursuant to this Agreement. The foregoing indemnifications shall be a recourse obligation of the Manager and the Company and shall survive the dissolution of the Company and/or the death, retirement, incompetency, insolvency, bankruptcy, dissolution, or withdrawal of the Manager. The indemnifications authorized by this Section shall include, but not be limited to, direct and indirect costs and expenses incurred by the Investor Member (including reasonable attorneys' and accountants' fees and expenses), including, without limitation, costs respecting the removal of any liens affecting any property of the indemnitee as a result of such legal action and any Credit Deficiency. The indemnifications

provided herein are in addition to and not a limit on any other right of contribution or indemnity by the Company which otherwise might exist in favor of the Investor Member.

6.3 Outside Activities

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

6.4 Inspection of the Project and Compliance Audits

The Investor Member and/or its agent or designee (including, without limitation, the Construction Inspector) shall have the right to inspect the Project at any time, and from time to time, and to conduct compliance audits, and the Manager shall provide all reasonable assistance to the Investor Member in such effort.

6.5 Legal Fees

The Company and the Manager shall be responsible for paying Investor Member's legal fees and expenses respecting any and all amendments to this Agreement, other than amendments requested by the Investor Member. The Investor Member shall be responsible for paying Manager's legal fees and expenses respecting all amendments to this Agreement requested by the Investor Member.

6.6 Execution of Amendments

The Investor Member 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 reasonably necessary or appropriate, at the Company's cost and expense, to effectuate the terms of this Agreement. The Manager shall cause the due execution, acknowledgment, and filing for record (and publication, if required by the Act) of any such amendment or further instruments in accordance with the Act, and shall cause a copy of the endorsed copy thereof to be furnished to the Investor Member.

6.7 Management of the Company

The Investor Member shall not take part in the management or control of the business of the Company or transact any business in the name of the Company. The Investor Member shall not have the power or authority to bind the Company or to sign any agreement or document in

the name of the Company.

ARTICLE VII

ALLOCATIONS OF PROFITS AND LOSSES

7.1 Tax Definitions

The following terms used in Articles VII and VIII of this Agreement shall have the meanings set forth below:

Adjusted Capital Account: With respect to any Member, such Member's Capital Account as of the end of the relevant Fiscal Year, after crediting to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the Code and applicable Treasury Regulations. The foregoing definition of Adjusted Capital Account is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

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

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

Net Losses and Net Profits: The net loss, or net profit, as the case may be, of the Company for federal income tax purposes for each Fiscal Year, calculated without regard to Gain or Loss and without regard to those items that are specially allocated in accordance with Regulatory Allocations or otherwise pursuant to Section 7.4; provided, however, that in determining net loss: (i) any tax-exempt income received by the Company shall be included as an item of gross income, (ii) any expenditure of the Company described (or treated under Treasury Regulation Section 1.704-1(b)(2)(iv)(b) as described) in Section 705(a)(2)(B) of the Code shall be treated as a deductible expense, (iii) if the fair market value on the date that the asset is contributed to the Company (or if the basis of such asset for book purposes is adjusted

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

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

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

Regulatory Allocations: Those special allocations set forth in Sections 7.4(a), (b), (c) and (e), which are intended to comply with certain requirements of Treasury Regulation Sections 1.704-1(b) and 1.704-2.

7.2 Profits and Losses

After giving effect to the special allocations set forth in Section 7.4, and except as provided in Section 7.3 with respect to Gains or Losses from dispositions of Company property, the Net Profits, Net Losses and Federal Credits of the Company for each Fiscal Year shall be allocated one one-hundredth of one percent (0.01%) to the Manager and ninety-nine and ninety-nine/one-hundredths percent (99.99%) to the Investor Member. Notwithstanding anything to the contrary contained herein, 100% of the State Credits shall be allocated 100% to the Investor Member. Any income ("***State LIHTC Income***") asserted by the IRS to arise from the allocation (or deemed sale) of the State Credits to the Investor Member in connection with its admission as an investor member of the Company or the receipt of any Capital Contribution in connection therewith in a Fiscal Year shall be allocated to the Manager for such Fiscal Year.

7.3 Gains and Losses from Disposition of Company Property

After giving effect to the special allocations set forth in Section 7.4, Gains and Losses recognized by the Company upon the sale, exchange or other disposition of all or substantially all of the property owned by the Company shall be allocated in the following manner:

(a) Gains shall be allocated (i) first, to the Members with negative Adjusted Capital Account balances, that portion of Gains (including any Gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Members' respective negative Adjusted Capital Accounts in the Company; provided, that no Gain shall be allocated

under this Section 7.3(a)(i) to a Member once such Member's Adjusted Capital Account is brought to zero; and (ii) second, Gain in excess of the amount allocated under (i) shall be allocated to the Members in the amount and to the extent necessary to increase the Members' respective Adjusted Capital Accounts so that the proceeds distributed in accordance with the Members' respective Adjusted Capital Account balances would equal the amounts distributable under Section 8.2 (other than any fees payable or loans repaid).

(b) Losses shall be allocated (i) first, to the Members in the amounts and to the extent necessary so that the proceeds distributed in accordance with the Members' respective Adjusted Capital Account balances would equal the amounts distributable under Section 8.2 (other than any fees payable or loans repaid), and (ii) second, any remaining Loss to the Members in accordance with the manner in which they bear the economic risk of loss associated with such Loss or, if none, to the Members in accordance with their Capital Percentages.

(c) Any portion of the Gains treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code (the "Recapture Amount") shall be allocated on a dollar for dollar basis to those Members to whom the items of Company deduction or Loss giving rise to the Recapture Amount had been previously allocated.

7.4 Special Allocations and Limitations

The following provisions shall apply notwithstanding the provisions of Section 7.3. 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 or Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Minimum Gain attributable to such Nonrecourse Liabilities or such Member Nonrecourse Debt, as applicable, (as such share is determined pursuant to Treasury Regulation Section 1.704-2(g)) shall be specially allocated items of Company income and Gain for such year (and, if necessary, for succeeding years) equal to each Member's share of the net decrease in such Minimum Gain (as such share is determined pursuant to Treasury Regulation Section 1.704-2(g)(2)). Notwithstanding the preceding sentence, a Member shall not be specially allocated items of Company income and Gain to the extent:

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

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

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

It is the intent that items to be so allocated shall be determined and the allocations made in accordance with the minimum gain chargeback requirement of Treasury Regulation Section 1.704-2(f), and this Section 7.4(a) shall be interpreted consistently therewith.

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

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

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

It is the intent that items to be so allocated shall be determined and the allocations made in accordance with the Minimum Gain chargeback requirement of Treasury Regulation Section 1.704-2(i) and this Section 7.4(b) shall be interpreted consistently therewith.

(c) In the event a Member unexpectedly receives in any Fiscal 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 Member, items of Company income and Gain shall be specially allocated to such Member in such Fiscal Year (and, if necessary, in succeeding Fiscal Years) in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member 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 this Section 7.4(c) shall be interpreted consistently therewith.

(d) No Net Losses, Losses or Company deductions for any Fiscal Year shall be allocated to the Investor Member to the extent such allocation would

cause or increase an Adjusted Capital Account Deficit with respect to such Member, and such Net Losses, Losses or Company deductions shall instead be allocated to the Manager.

(e) If in any Fiscal Year there is a net increase during such year in the amount of Minimum Gain attributable to a Member Nonrecourse Debt, any Member 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 Company Loss or deduction in an amount equal to the excess of (i) such Member's share of the amount of such net increase, over (ii) the aggregate amount of any distributions during such year to such Member of the proceeds of such debt that are allocable to such increase in Minimum Gain. It is the intent that items to be so allocated shall be determined and the allocations made in accordance with the required allocation of "partner nonrecourse deductions" pursuant to Treasury Regulation Section 1.704-2(i), and this Section 7.4(e) shall be interpreted consistently therewith.

(f) The special allocations set forth in Section 7.4(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 Members 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 Member had the Regulatory Allocation not occurred. In the event that in any year the Regulatory Allocations alter the allocations of tax items to the Members, to the extent possible, depreciation deductions shall nevertheless be allocated to the Investor Member and the Manager in accordance with their Percentage Interest.

Furthermore, notwithstanding the other provisions of this Article VII, allocations of income (including gross income), Gain, Loss and deductions made in the year that substantially all of the Company's assets are sold and in the year that the Company terminates and winds up shall be made in such a manner that when the Company liquidates in accordance with the positive balances in the Members' Capital Accounts each Member will receive the amount the Member would have received had the Company's assets been distributed in accordance with the priorities set forth in Section 8.2 hereof.

(g) The respective interest of the Members 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 Company 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 Members in the same manner as are Net Profits from operations; provided, however, that with respect to property contributed to the Company by a Member, such items shall be shared among the Members 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.

(h) In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, Gain, Loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial fair market value (as used as book value of the property by the Company). In the event the book value of any Company property is adjusted upon: (i) acquisition of a Company interest by any Person in exchange for a capital contribution; or (ii) any non-pro rata distribution to Members of Company property other than cash, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its book value in the same manner as under Section 704(c) of the Code. Allocations pursuant to this Section 7.4 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Net Profits or Net Losses, other items, or distributions pursuant to any provision of this Agreement.

(i) For purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Treasury Regulation Section 1.752-3(a)(3), the interest of each of the Manager and the Investor Member in Company profits shall equal its respective Percentage Interest.

(j) If any Member's Capital Contribution is used to fund any syndication fees or expenses referred to in Section 709 of the Code, such Member shall be specially allocated such fees or expenses. If a deduction for any fee paid in accordance with this Agreement is denied by the IRS after a Final Determination on the basis that such fee was a distribution to a Member by the Company, the Member who received such fee shall be specially allocated an amount of gross income equal to the amount of the disallowed deduction.

(k) If the Manager funds any Operating Deficit Advance, Development Fee Advance and/or Credit Adjuster Payment as other than a loan or capital contribution, in any year in which the Company repays any Credit Adjuster Payment, the Manager shall be specially allocated an item of gross income equal to the amount of such repayment, but not in excess of amounts previously allocated to the Manager pursuant to Section 7.4(l) hereof.

(l) If, for any year, the Investor Member's positive Capital Account balance at the close of such year does not significantly exceed the aggregate deductions for depreciation projected to be allocable to the Investor Member for all remaining years of the Compliance Period, then, for the remainder of such

period, all items of income and deduction, other than depreciation, shall be specially allocated to the Manager.

(m) Any increase or decrease in the amount of any item of income, Gain, Loss, deduction or credit attributable to an adjustment to the basis of Company assets made pursuant to Sections 734 or 743 of the Code, as a result of a valid election under Section 754 of the Code, and pursuant to corresponding provisions of applicable state and local income tax laws, shall be charged or credited, as the case may be, and any increase or decrease in the amount of any item of credit or tax preference attributable to any such adjustment shall be allocated to those Members entitled thereto under such laws.

(n) Income, Gains, Losses, deductions and Credit (except as set forth below) allocated to a Company Interest assigned or reissued during a Fiscal Year of the Company shall be allocated to the Person who was the holder of such Interest during such Fiscal Year, in proportion to the number of days that each such holder was recognized as the owner of such Interest during such Fiscal Year or in any other manner permitted by the Code and selected by the Manager in accordance with this Agreement, with the Consent of the Investor Member, without regard to the results of Company operations during the period in which each such holder was recognized as the owner of such Interest during such Fiscal Year, and without regard to the date, amount or recipient of any distributions which may have been made with respect to such Interest. With respect to any Federal Low-Income Credit claimed by the Company for the Fiscal Year of such assignment, the assignor and assignee may agree to allocate the distributive share of such Federal Low-Income Credit between the assignor and assignee either (a) in accordance with the ratio that the number of days in the Fiscal Year before and after such assignment bears to the total number of days in the Fiscal Year, or (b) in accordance with the ratio that the number of months in the Fiscal Year before and after such assignment bears to the total number of months in the Fiscal Year, provided that the month in which the assignment takes place shall be considered to be after the assignment if the assignment takes place in the first half of the month and before the assignment if the assignment takes place in the second half of the month. In the event the assignor and assignee do not agree on the method for allocating the distributive shares of the Federal Low-Income Credit, such Credit shall be allocated in accordance with the ratio that the number of days in the Fiscal Year before and after such assignment bears to the total number of days in the Fiscal Year. Also, for purposes of this Section, any change in the Percentage Interest of any Member will also be treated as an assignment from that Member whose Percentage Interest declined to that Member whose Percentage Interest increased and to those Persons who became Members and acquired a Percentage Interest.

(o) Any income recognized by the Company as a result of the forgiveness of a Company obligation shall be allocated to the Member that, prior to such time, had the economic risk of loss with respect to the obligation within the meaning of Treasury Regulation Section 1.752-2, or any successor provision.

(p) In the event that the deduction of all or a portion of any fee paid or incurred by the Company to a Member or an Affiliate of a Member is disallowed for federal income tax purposes by the IRS with respect to a Fiscal Year of the Company, the Company shall then allocate to such Member an amount of gross income of the Company for such year equal to the amount of such fee as to which the deduction is disallowed.

(q) Except for the HACM Loans, if at any time during the Credit Period where, in the opinion of counsel to the Investor Member, the Manager has any economic risk of loss (within the meaning of Treasury Regulations Section 1.752-2 or any successor provision) respecting any Company obligations and as a result, losses (and corresponding Credits otherwise allocable to the Investor Member hereunder), such that such items would commence to be allocable to the Manager because of such economic risk of loss respecting such obligation(s), all outstanding advances and loans from the Manager or any Affiliate (which shall not include any then unpaid Development Fee payable to an Affiliate which was included in the Project's qualified basis for Credits) shall thereupon be forgiven, to the extent necessary to avoid any such reallocation of depreciation (and corresponding Credits) in any year or years during the Credit Period.

(r) Nonrecourse deductions for any Fiscal Year of the Company as determined pursuant to Regulations Section 1.704-2(c) will be allocated to the Members in proportion to their Percentage Interests.

(s) Member nonrecourse deductions for any Fiscal Year of the Company as determined pursuant to Regulations Section 1.704-2(i)(2) will be allocated to the Member that bears the economic risk of loss for such deductions within the meaning set forth in Regulations Sections 1.704-2(i)(1) and 1.752-2. If more than one Member bears the economic risk of loss, such deductions will be allocated between or among such Members in accordance with the ratios in which such Members share such risk of loss.

(t) Notwithstanding any other provisions of this Agreement to the contrary, the Manager will not be allocated more than 0.01% of each item of Company income, gain, loss, deduction, credit, and basis throughout the entire period that the Manager is a Member, unless otherwise required by the Code.

7.5 Maintenance of Capital Accounts

The Company shall maintain a Capital Account for each Member. Such Capital Account shall be maintained in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv). To each Member's Capital Account there shall be credited such Member's Capital Contributions, and its distributive share of Net Profits and Gains and any item in the nature of income or gain allocated to such Member under Sections 7.2 and 7.3. To each Member's Capital Account there shall be debited the amount of cash and the fair market value (as of the date of distribution) of any Company property (net of liabilities securing the distributed property that such Member assumes or subject to which such Member takes the distributed property) distributed to such Member

pursuant to any provision of this Agreement and such Member's distributive share of Net Losses and Loss and any items in the nature of expenses or deductions that are allocated to such Member pursuant to Sections 7.2 and 7.3.

ARTICLE VIII

CASH DISTRIBUTIONS

8.1 Distributions of Cash Flow

Cash Flow, to the extent available, shall be distributed for any year or portion thereof in the order of priority set forth in Exhibit A-5.

8.2 Distributions of Capital Proceeds

Any Capital Proceeds other than net proceeds upon liquidation of the Company resulting from the sale of the Company property, which shall be governed by Article XII, shall be distributed to and among the Members in the following amounts and order of priority, after the payment of all unpaid Company Expenses (including, without limitation, any unpaid Asset Management Fee):

(a) To the Investor Member, the amount of any unpaid Credit Deficiencies (including amounts owed due to a Change in Law), Default Cash Flow Priority (pursuant to Section 5.15(b)), Tax Equivalency Payments and any other unpaid fees, debts or liabilities owed to the Investor Member;

(b) To the Manager, the amount of any unpaid Operating Deficit Advance, Credit Adjuster Payment, Development Advance, Development Fee Advance and any other unpaid fees, debts, liabilities or loans of the Manager;

(c) To HACM, the amount of any unpaid fees, debts, liabilities or loans of HACM (in its capacity as Guarantor, Lender or otherwise), including, without limitation, the payment of applicable principal and interest on the HACM Loans; and

(d) The balance to the Members in accordance with their Capital Percentages as set forth on Exhibit A-3.

8.3 Allocation of Distributions

Distributions of Cash Flow and Capital Proceeds shall be made to the Member of record at the date for the distribution without regard to the length of time the record holder has been such and without regard to the period to which the distribution relates.

ARTICLE IX

ADMISSION OF SUCCESSOR AND ADDITIONAL MANAGERS; REMOVAL AND WITHDRAWAL OF MANAGER

9.1 Admission of Successor or Additional Managers

(a) The Manager shall not have any right to retire or withdraw voluntarily from the Company or to sell, transfer, pledge, encumber or assign all or any portion of its Interest, without the Consent of the Investor Member, which consent may be withheld at the sole discretion of the Investor Member. In the event that the Consent of the Investor Member has been obtained by the Manager, the Manager shall designate one or more persons to be its successor. In no event shall the Interests of the other Members be affected thereby. The designated successor Manager shall be admitted as such to the Company upon approval by the Investor Member of such successor Manager and all documentation respecting such transfer and applicable amendments to this Agreement, which approval may be withheld in its sole discretion, and upon satisfying the conditions of this Article IX and Section 15.1. Any voluntary withdrawal by the Manager from the Company or any sale, transfer, or assignment by the Manager of its Interest shall be effective only upon the admission in accordance with this Section 9.1(a) and Section 15.1 of a successor Manager. Upon request of the Investor Member from which consent has been requested, the transferee shall submit financial statements of the transferee to such Investor Member, evidencing sufficient financial ability to undertake the obligations which would be imposed on the transferee, and any document of assignment must be in a form reasonably acceptable to the Investor Member whose consent has been requested, and the transferor shall deliver an opinion of counsel (or such other evidence as an Investor Member may reasonably require) that such transfer (1) will not result in the Company being treated as an association taxable as a corporation for federal income tax purposes or otherwise result in a tax termination of the Company, and (2) may be effected without registration or qualification under any applicable federal or state securities laws, or confirming that any such registration or qualification, and any other required actions, have been taken in connection therewith.

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

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

(d) Upon the admission of the successor Manager, an amendment to this Agreement reflecting such admission, and stating the agreement set forth in Section 9.1(c) and in all respects in compliance with the requirements of the Act shall be executed and an amendment to the Certificate shall be executed and filed in accordance with the Act.

9.2 Removal of a Manager

(a) The Investor Member shall have the right to remove a Manager of the Company for any of the following reasons (an "Event of Default"):

(1) The Manager has committed an act or acts of willful misconduct, Substantial Mismanagement, malfeasance, fraud, or an act or acts outside the scope of its authority under this Agreement that have a material adverse effect on the Investor Member or the Company, has breached any representation, warranty, agreement or covenant contained in this Agreement which breach has a material adverse effect on the Company or the Investor Member, or has breached its fiduciary duties as the Manager (including, without limitation, using Company reserves other than as permitted under this Agreement). "Substantial Mismanagement" means any of the following acts which results in a material adverse effect on the Company or the Investor Member: (i) gross misuse or waste of the Project or Company assets by the Manager, (ii) the Manager's abuse of its authority in connection with the management of the Project or the Company, (iii) theft or misappropriation of Company assets by the Manager, or (iv) the incompetence of the Manager in the performance of its duties and obligations to manage the business and affairs of the Company;

(2) (i) A material default not cured within the time period of the applicable cure period under the Extended Use Agreement, ACC, any other regulatory agreements and/or the Loan Documents, or (ii) a material default is not cured within the time period of the applicable cure period under this Agreement and all exhibits hereto or the Guaranty, unless, in each instance, the Lender or other party to the applicable document acknowledges in writing satisfactory progress, agrees not to take any action without further notice, and refrains from action until cure occurs.

(3) The Manager or the Company has taken any action or failed to take any action that would (A) cause the termination of the Company for federal income tax purposes which has a material adverse effect on the Company or the Investor Member, (B) cause the Company 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 Company to fail to qualify as a limited liability company under the Act, (E) cause a material reduction in the tax benefits or a material increase in the tax liability of the Investor Member, or (F) cause the Investor Member to have liability in excess of its Capital Contributions;

(4) During the Compliance Period, (a) there are unfunded Operating Deficits, after thirty (30) days written notice to the Manager from the Investor Member; or (b) the Manager or the Management Agent has operated the Project in a manner so as not to qualify as a "qualified low-income housing project" under Section 42(g)(1) of the Code and under the documents pursuant to which the Credits have been allocated;

(5) A material default by the Manager under this Agreement, the Guarantor under the Guaranty, or the Developer under the Development Agreement;

(6) A filing of a foreclosure or other creditor's action or exercise of control over the Project by a lender or other creditor (or written notice of intent to effect a foreclosure or other lender's action, or intent by such lender to exercise control over the Project, unless the lender acknowledges in writing satisfactory progress, agrees not to take action without further notice, and refrains from action until cure occurs);

(7) An Event of Bankruptcy respecting the Company, the Manager or a Guarantor;

(8) The Manager directly or indirectly causes the construction schedule set forth in the Project Documents to be delayed by more than one hundred twenty (120) days or failure to complete the Project and reach the Completion Date on or prior to September 30, 2022, or if prior to the Completion Date there is any termination of any permanent financing commitment, unless such commitment is replaced under terms and conditions acceptable to the Investor Member, within sixty (60) days after such event;

(9) Any other event under the Section 183.0402(1) of the Act which permits removal of the Manager;

(10) Failure of the Investor Member to receive 80% of the Projected Federal Credit Amount of the annual Federal Low-Income Credits (after adjustment pursuant to Sections 3.3(a) and (c)) for any year;

(11) Failure of the Investor Member to receive 80% of the Projected State Credit Amount of the annual State Low-Income Credits (after adjustment pursuant to Sections 3.3(b) and (d)) for any year;

(12) Without the Consent of the Investor Member, if The Housing Authority of the City of Milwaukee shall cease to own 100% of the membership interests of the Manager;

(13) In the event of fraud or any felony conviction of the Manager (or any Guarantor); or

(14) Any representation or warranty contained in Section 5.6(pp) hereof is or becomes false or misleading at any time

(b) Upon the removal of the Manager for any reason pursuant to Section 9.2(a), the remaining or successor Manager shall cause the Company to redeem the removed Manager's Interest for a price equal to the fair market value thereof, based upon the assumption that the Project remains as low income housing, with rents in compliance with said Section 42 of the Code, and subject to the land use restriction agreement, pursuant to Section 42 of the Code for the entire extended use period and to the HUD Declaration of Restrictive Covenants. Such fair market value shall be determined by two independent MAI appraisers, one selected by the former Manager or its representative and one by the Investor. If such appraisers are unable to agree on the value of the former Manager's Interest, they shall jointly appoint a third independent appraiser whose determination shall be final and binding. The appraisers may act with or without a hearing, and the cost of the appraisal will be shared equally between such former Manager and the Company. Notwithstanding the foregoing, if a Manager is removed by the Investor Member for fraud, willful misconduct, malfeasance or breach of fiduciary duties, pursuant to Section 9.2(a)(1) hereof, or if a Manager has voluntarily withdrawn from the Company in contravention of the terms of this Agreement, the purchase price paid to such Manager for its Interest shall be One Hundred Dollars ($100), and such removed Manager shall thereafter cease to have any interest in the capital, profits, losses, distributions, and all other economic incidents of ownership of the Company and all agreements (including loans) between the Company and the Manager or any Affiliates of such Manager may, at the election of the Company, be terminated without penalty or assigned, as directed by the Company, and, upon any termination, the Company shall have no further obligation under such agreements. Further, if the Management Agent is an Affiliate of the Manager, upon any removal of the Manager, the Manager shall (at the election of the Company) simultaneously cause termination of such management agreement without penalty, at its sole cost and expense.

(c) Promptly after the determination of the purchase price of a former Manager's Interest pursuant to Section 9.2(b) hereof, the Company shall deliver to such former Manager a promissory note of the Company for such purchase price, payable solely from 50% of remaining Cash Flow of the Project, having a payment priority equal to an Operating Deficit Advance, as set forth on Exhibit A-5, and shall be due and payable, if not sooner paid, on the second anniversary of the termination of the initial 15 year compliance period, pursuant to Section 42 of the Code. Such promissory note shall bear simple interest at 1% per annum; *provided*, *however*, that if such note is delivered following an event of bankruptcy of the Manager, a withdrawal of the Manager which is voluntary on its part in violation of this Agreement or a removal for fraud, willful misconduct, malfeasance or breach of fiduciary duty, pursuant to Section 9.2(a)(1) hereof, then the Manager shall solely be entitled to One Hundred Dollars ($100) as set forth in Section 9.2(b) above. The Manager agrees that the right to receive the fair market value of its Interest or said One Hundred Dollar ($100) payment, as applicable, as determined and paid under Section 9.2(b) hereof shall be such Manager's sole and exclusive remedy.

(d) In the event that the Manager has been removed, the Investor Member shall have the right, without the consent of any of the other Members, to designate a successor Manager and Management Agent and the Investor Member may, within ninety (90) days (or such longer period as may be permitted under applicable law) of the sole Manager's removal, elect to continue the business of the Company.

(e) The Investor Member shall not have the right to exercise any of its remedies pursuant to this Section as a result solely of any failure or violation described in Section 9.2(a) until after written notice and opportunity to cure is provided to the Manager as set forth herein. The Manager shall have sixty (60) days after receipt of written notice to cure such failure or violation unless such failure or violation is not capable of cure within sixty (60) days, and the Manager has promptly commenced such cure and diligently prosecutes the same to completion, but in no event longer than one hundred twenty (120) days; provided that (i) the foregoing sixty (60) day cure period shall not apply in the event of any failure or violation that constitutes an event of default as defined in any Loan Document and as to which no cure period is provided to the Company or if the cure period is shorter than sixty (60) days then such shorter cure period shall apply; and (ii) the aforesaid cure period shall not apply to the occurrence of an event described in Sections 9.2(a)(6)-(8), (10), or (11).

(f) The removal of the Manager, for any reason other than bankruptcy, fraud, willful misconduct, or malfeasance shall not affect or terminate the Manager's or Guarantor's rights under Sections 14.1, 14.2 or 14.3 hereof, or the obligations of the Manager and Guarantor under Section 14.4 hereof. Notwithstanding anything in this Agreement to the contrary, if it is determined that the Manager is subject to removal for any reason under this Agreement, the Guarantor shall have sixty (60) days from the date of such determination in which to elect to purchase the interest in the Company of the Investor Member pursuant to the terms of Section 14.1, except that if such election is exercised prior to the expiration of the Compliance Period, then, Guarantor shall be deemed to have elected to purchase the interest of the Investor Member for an amount equal to the sum set forth in Section 9.2(g) below, and Guarantor shall satisfy the conditions set forth in Section 9.2(g) below.

(g) If the Guarantor elects to purchase the Investor Member's interest in the Company prior to the end of the Compliance Period pursuant to Section 9.2(f) above, the purchase price of the Investor Member's interest will be equal to the total of the following (the "Withdrawal Purchase Price"): (i) an amount equal to 115% of the Investor Member's Capital Contributions paid to date, plus (ii) all costs incurred by Investor Member in connection with the Guarantor's exercise of such election to purchase the Investor Member's interest, including but not limited to all accounting costs and legal fees and costs, minus (iii) the value of any Credits (the value of which shall be the price paid for such Credits) previously allocated to the Investor Member and not recaptured or likely to be subject to recapture (as reasonably determined by the Investor Member).

Notwithstanding the foregoing, if the Manager objects to the amount of Credits that are subject to recapture as determined by the Investor Member and upon the third year following the expiration of the Compliance Period, such Credits have not been recaptured, then the Investor Member (or its successor or assign) shall pay to the Guarantor an amount equal to the value of those Credits (the value of which shall be the price paid for such Credits) that were determined by the Investor Member to be subject to recapture but were not so recaptured together with interest on such amount beginning with the month the Withdrawal Purchase Price was received by the Investor Member equal to the long-term applicable federal rate compounded annually for the month in which the Withdrawal Purchase Price was received by the Investor Member. Further Guarantor will post security reasonably acceptable to Investor Member (i.e. surety bond, recapture bond, letter of credit, cash), in an amount reasonably determined by Investor Member to protect Investor Member from any Credit recapture.

9.3 Event of Bankruptcy of a Manager

(a) A Manager shall cease to be a Manager upon an Event of Bankruptcy with respect to such Manager. Upon such an Event of Bankruptcy, the remaining or successor Manager shall cause the Company to redeem the Manager's Interest for one hundred dollars ($100) and such Manager shall thereafter cease to have any interest in the capital, profits, losses, distributions, and all other economic incidents of ownership of the Company and the Company shall have the right to cause all contracts or agreements (including loans) between the Company and the Manager or any Affiliates of the Manager to thereupon terminate without penalty or be assigned, and upon any termination the Company shall have no further obligation under any such agreements.

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

9.4 Liability of a Removed or Withdrawn Manager

Any Manager who for any reason voluntarily or involuntarily withdraws or is removed from the Company or sells, transfers, or assigns its Interest shall be and remain liable for all obligations, liabilities, and guarantees incurred by it as a Manager prior to the time when the withdrawal, removal, sale, transfer, or assignment becomes effective, including but not limited to the obligations and liabilities of the Manager set forth in Sections 3.3, 5.9, 5.10 and 5.11 of this Agreement with regard to Development Advances, Operating Deficit Advances and Credit Adjuster Payments then payable, and for any obligation or liability to the Investor Member that may arise at any time under Sections 5.6 and 5.7 prior to the withdrawal or removal (or if caused by Manager's dissolution, subsequent thereto). Such Manager shall continue to be liable pursuant to the provisions of Section 5.4 with respect to its acts and omissions occurring on or

prior to the effective date of such withdrawal or removal. Removal of the Manager shall not limit or affect the obligations of the Guarantor under the Guaranty, or the rights (including the Developer's right to the Developer Fee) or obligations of the Developer under the Development Agreement arising prior to the effective date of such removal. The Guarantor shall have no obligations under the Guaranty as a result of events arising following the effective date of removal of the Manager.

9.5 Continuation of the Business of the Company

(a) If, at the time of an event described in Section 9.2 or Section 9.3 or any other event described in the Act with respect to a Manager, such Manager was not the sole Manager, the remaining Manager or Managers shall elect to continue the business of the Company and shall immediately: (i) give Notice to the Investor Member of such event; and (ii) make any amendments to this Agreement and execute and file for recording any amendments or other documents or instruments necessary to reflect the termination of the Interest of the Manager as to which such event has occurred and such Manager's having ceased to be a Manager and in order to comply with the requirements of the Act.

(b) A Person shall be admitted as a successor or additional Manager with the Consent of the Investor Member if an amendment to the Certificate evidencing the admission of such Person as a Manager shall have been filed for recordation. Each Manager hereby agrees to execute promptly any such amendment to the Certificate, if required in the event of its withdrawal or removal pursuant to the provisions of this Article IX, and, in addition, hereby grants to Investor Member a power-of-attorney to execute any such amendment on its behalf and in its place and stead in the event of its withdrawal or removal. This power-of-attorney is coupled with an interest and is irrevocable. The election by the Investor Member to remove any Manager under Section 9.2 shall not limit or restrict the availability and use of any other remedy that the Investor Member or any other Member might have with respect to any Manager in connection with its undertakings and responsibilities under this Agreement.

ARTICLE X

ASSIGNABILITY OF INTERESTS OF INVESTOR MEMBER

10.1 Substitution and Assignment of an Investor Member's Interest

The rights of the Investor Member to assign or transfer any interests in the Company are as follows:

(a) The Manager hereby expressly consents to assignment(s) or transfer(s) by the Investor Member of its Company Interest, in whole or in part, from time to time, to an Affiliate or a fund managed by [redacted] (and its successors) or any third party or parties, and to the admission of such transferee(s) as investor member(s), provided the assignee

assumes the Investor Member's obligations under this Agreement, including but not limited to, the Investor Member's unpaid Capital Contribution obligations. Any such assignment shall be evidenced by an assignment and assumption agreement executed by the parties in substantially the same form as is attached hereto as Exhibit L. In addition, such transferee(s) shall become Investor Member(s) hereunder upon full execution of an amendment to this Agreement (substantially in the form attached hereto as Exhibit M), evidencing such admission, under terms and provisions acceptable to the Investor Member. Notwithstanding the foregoing, any assignment or transfer by the Investor Member of its Membership Interest shall not relieve the Investor Member of its obligation to make the Capital Contributions as set forth in Section 3.2 hereof, unless otherwise consented to in writing, in advance by the Manager.

(b) If the approval of any lender is required pursuant to the terms of any Loan of the Company, such approval must be delivered to or obtained by the Manager.

(c) [Intentionally Omitted].

(d) In conjunction with any sale, transfer, assignment or other disposition by the Investor Member of all or any part of its interest in accordance with the provisions of this Article X, the Investor Member is authorized to obtain updated UCC, judgment and tax lien searches with respect to the Manager and the Company and to disclose information concerning the Company, the Manager, the Guarantor and any other Persons involved in the development and operation of the Project and to initiate contact (and take any other actions needed to obtain required consents) with any Lender or other third party whose consent to such disposition may be required. The Manager represents and agrees that it will take all actions reasonably necessary (or requested by the Investor Member) to cooperate with the Investor Member and facilitate the Investor Member's disposition of its interest and/or the receipt of such consents, including, but not limited to, delivering an updated legal opinion, providing financial statements, information and reports with respect to the Manager, Guarantor and/or the Company and reaffirming the accuracy of the representations and covenants set forth in this Agreement and the Investor Member shall reimburse the Manager for all costs reasonably incurred by it pursuant to this Section 10.1(d).

10.2 Assignees; Substitute Investor Members

(a) Following any transfer of its entire Interest in the Company by a Investor Member, if the Assignee(s) shall become a Substitute Investor Member(s), the assignor, in respect of the Interest assigned, shall no longer be deemed to be the Investor Member hereunder (in all other situations, the Investor Member shall continue to exercise the rights of the Investor Member hereunder until such time as such Assignee(s) are duly admitted as Substitute Investor Members). Notwithstanding the foregoing, any assignment or transfer by the Investor Member of its Membership Interest shall not relieve the Investor

Member of its obligation to make the Capital Contributions as set forth in Section 3.2 hereof, unless otherwise consented to in writing, in advance by the Manager.

(b) Transfers pursuant to Section 10.1(a) above do not require Manager approval or consent, and the Manager shall, upon request by the Investor Member, execute an amendment to the Agreement evidencing the admission of the applicable assignee as a Substitute Investor Member, subject to any applicable lender approvals pursuant to Section 10.1(b). Such amendment shall reflect the name, address and Capital Contribution of such Substitute Investor Member, and anything else required by the Act, and shall set forth the agreement of such Substitute Investor Member to be bound by all the provisions of this Agreement. The Manager shall also file any amended Certificate, if required by the Act.

(c) The Company and the Manager 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 Person until such time as a written assignment of such Interest has been executed in accordance with Section 10.1 above.

ARTICLE XI

MANAGEMENT OF PROJECT

11.1 Manager to Engage Management Agent

The Manager shall have responsibility for engaging the Management Agent (which may be an Affiliate of the Manager) acceptable to the Investor Member, the Lenders and any other governmental authority having jurisdiction over the Project. The Management Agent (and any and all successor management agents) shall manage and operate the Project in accordance with the requirements of Section 42 of the Code and all other applicable requirements respecting the Credits and the Loans, and the applicable requirements of the Lenders, any other lenders and any other governmental authority having jurisdiction with respect thereto, pursuant to a management agreement in form and substance acceptable to the Investor Member, which agreement will be attached hereto as Exhibit E. Such management agreement shall contain a provision requiring that tenant security deposits, and all interest thereon, be deposited in a segregated Company account and that such amounts cannot be used to pay Company Expenses. The Manager shall not authorize or permit any deviation from such management agreement which could impair the Credits or the operation of the Project and shall not remove such Management Agent without the Consent of the Investor Member (which Consent may not be given until the Manager has identified a replacement management agent acceptable to the Investor Member). The Management Agreement shall require that the management plan and rental criteria to be utilized by the Management Agent shall be approved by the Investor Member and its Asset Manager (listed on Exhibit A-6) prior to commencing to lease any units in the Project. Upon the reasonable request of the Investor Member (which may be based on Project compliance observations of its Compliance Manager (as defined below)), the Manager shall terminate the

applicable management agreement, subject to, and in accordance with, its terms. Any modification, termination or extension of a management agreement or any removal of the Management Agent or hiring of a new Management Agent shall be made only upon obtaining the consents or approvals, if any, required by the Loan Documents or Project Documents, as well as the Consent of the Investor Member, which shall not be unreasonably withheld. The Management Agent shall be entitled to receive such management fees as may be agreed upon by the Company and such agent, consistent with the Annual Operating Budget and acceptable to the Lenders and the Investor Member. Any successor Management Agent shall be entitled to receive such management fees as may be agreed upon between the Company and such agent consistent with the applicable Annual Operating Budget, and which shall be acceptable to the Lenders if their consent is required and the Investor Member.

All management agreements shall be for a term of one (1) year and shall provide that the Management Agent can be terminated without penalty by the Company upon thirty (30) days' prior written notice, with or without cause and, upon any such termination, notwithstanding anything to the contrary in this Agreement or any other agreement, no further amounts shall be owed to the Management Agent. Further, whenever, and so long as the Management Agent is a Manager or Affiliate of the Manager, the management agreement shall contain the following provisions: (a) 60% of the Management Agent's monthly fees shall be accrued and subordinated to payment of Operating Deficits, Credit Adjuster Payments and Asset Management Fees, and to those priority distributions of Cash Flow listed as First, Second, and Third on Exhibit A-5, until funds are available to pay such fees; and (b) such management agreements shall automatically terminate, upon the removal of the Manager as a member in the Company. The Manager shall require the management agent to use a form of lease, containing Credit compliance requirements, which is acceptable to the Investor Member.

The Investor Member shall have the right to designate a compliance review manager (the "***Compliance Manager***"), and the Manager shall require that the Management Agent: (a) cooperate and participate in a review of Credit compliance requirements with the Compliance Manager prior to the marketing or leasing of any Units, (b) cooperate with the Compliance Manager in periodic reviews of the compliance of the Project with Credit requirements, which compliance reviews may include, but shall not be limited to, physical inspection of the Project, review and copying of the files and other records of the management agent, and interviews with the management agent's staff, and (c) submit all tenant lease files required pursuant to Section 13.3(a)(2) to the Investor Member and the Compliance Manager for the initial tenant leases for each unit in the Project, and for subsequent tenant as may be reasonably requested by the Investor Member from time to time. The fees and expenses of the Compliance Manager will be paid directly by the Investor Member, unless otherwise negotiated with the Manager. In no event shall any review and/or approval of tenant lease files, income qualification and/or other tenant records by the Investor Member, the Investor Member's Asset Manager and/or the Compliance Manager relieve the Manager or the management agent of their respective obligations to operate and manage the Project in full compliance with Section 42 of the Code, nor constitute a defense to the Manager's obligations hereunder and the Manager shall not be entitled to rely on any such reviews and/or approvals.

The parties acknowledge and agree that the initial Management Agent is not an Affiliate of the Guarantor or the Manager.

Management Agent shall conform with and apply "best practices" for data privacy and security, including, if applicable, encryption, in connection with maintaining and transmitting to Company (or, at Company's direction, to any other person) all books, records and other data, including all books, records and other data that are in any digital or electronic format. Company, in its sole discretion, may from time to time (a) promulgate minimum standards for data privacy and security practices with which Management Agent must comply (without limiting Management Agent's obligation to comply with the "best practices" covenant, if that would impose a higher standard) and (b) cause an audit to be performed of Management Agent's compliance with the covenant set forth in this Section and Management Agent shall address any shortcomings identified in such audit based on a schedule to be agreed upon between Company and Management Agent at that time.

Management Agent shall obtain, maintain and otherwise handle all information about individual tenants or prospective tenants collected from credit reports and/or background checks in accordance with the federal Fair Credit Reporting Act (FCRA) and the regulations issued with respect to the FCRA, as well as any analogous state statutes or regulations. Company, in its sole discretion, may from time to time (a) require Management Agent to cause its employees handling such information to be trained in their compliance responsibilities relating to data privacy and security and (b) cause an audit to be performed of Management Agent's compliance with the covenant set forth in this Section and Management Agent shall address any shortcomings identified in such audit based on a schedule to be agreed upon between Company and Management Agent at that time

11.2 Asset Management Fee

Commencing in calendar year 2022, the Company shall pay to Investor Member (or to such other entity as Investor Member shall designate), within ninety (90) days following the end of each calendar year, an annual, cumulative fee, increasing 3% each year (the "Asset Management Fee") in an amount equal to the product of the number of Credit Units multiplied by $75, for an annual review of the operations of the Company and the Project and to reimburse Investor Member for the costs and expenses of its Credit compliance review.

ARTICLE XII

DISSOLUTION OF COMPANY

12.1 Dissolution

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

(a) The dissolution, liquidation, withdrawal, retirement, removal or Event of Bankruptcy of a Manager, under such circumstances where no other remaining Manager desires to continue the Company; provided, however, that the Company shall not be dissolved as aforesaid if the Investor Member shall, within the maximum number of days permitted by the Act, elect to continue the Company and the Company business, and shall designate a successor Manager,

which upon its admission to the Company shall immediately obtain, on a prospective basis, all of the Manager's rights to receive Cash Flow, Sale and Refinancing Proceeds, and the unpaid portion of any fees payable pursuant to this Agreement;

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

(c) The sale or other disposition of all or substantially all of the Company property;

(d) The expiration of the Term; or

(e) The occurrence of any other event causing the dissolution of a limited liability company under the laws of the State of Wisconsin.

12.2 Distribution of Company Assets

(a) Upon the dissolution of the Company, the Company business shall be wound up and its assets liquidated; and the net proceeds of such liquidation, after the payment of all unpaid Company Expenses (including, without limitation, any unpaid Asset Management Fee) shall be distributed in the following order of priority (but in all events in accordance with the Act):

(1) To the payment of the debts and liabilities of the Company including the HACM Loans (but excluding any other amounts that may be owed to any Member and/or its Affiliates) and the expenses of liquidation;

(2) To establishing any reserves that the Manager or liquidator, in accordance with sound business judgment, deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company, which reserves may be paid over to an escrow agent to be held by such agent for the purpose of (A) distributing such reserves in payment of the aforementioned contingencies, and (B) upon the expiration of such period as the Manager or such liquidator may deem advisable, distributing the balance thereof in the manner provided in this Section 12.2;

(3) To the Investor Member to pay any outstanding Credit Deficiencies (including amounts owed due to a Change in Law), Default Cash Flow Priority, Tax Equivalency Payments, any loans or other advances made by the Investor Member, and any loans or other amounts payable to the Investor Member;

(4) To the Manager or its applicable Affiliate, the amount of any outstanding Operating Deficit Advance, Credit Adjuster Payment, Development Advance, Development Fee Advance and any other unpaid fees, debts, liabilities or loans payable to the Manager or Affiliates; and

(5) To the Members in accordance with positive Capital Account balances.

(b) If any assets of the Company are to be distributed in kind, they shall be distributed on the basis of their fair market value, and any Member entitled to any interest in such assets shall receive it as a tenant-in-common with all other Members so entitled. If assets are to be distributed in kind, the Members' Capital Accounts shall be appropriately adjusted before any such distribution to reflect the increases or decreases to the Capital Accounts that would have occurred if the property distributed in kind had been sold for its fair market value by the Company prior to distribution.

(c) If, upon liquidation of a Member's Interest (whether or not in connection with the liquidation of the Company), the Member has a negative balance in its Capital Account, the Member shall have no obligation to make any contribution to the capital of the Company and the negative balance of the Member's Capital Account shall not be considered a debt owed by the Member to the Company or any other Person for any reason whatsoever. The parties hereto agree that a Member shall have the right (exercisable in its sole discretion) at any time, upon giving written notice to the other Member, to create a deficit restoration obligation and/or to extend the years in which it may be obligated to restore any deficit balance in its Capital Account, but only to the extent that the deficit restoration obligation is necessary in order for the Member to obtain the Credits otherwise allocable to such Member. The Investor Member hereby unconditionally and irrevocably agrees to restore a negative balance in its Capital Account upon liquidation of its Interest in the Partnership in the amount of up to $6,600,000 (the "***Initial Designated Amount***") effective as of the 2021 Fiscal Year of the Company. The foregoing obligation shall be reduced by the amount of any capital subsequently contributed by the Investor Member to the Company, and the Investor Member shall have no obligation to restore a negative balance in its Capital Account in excess of the Initial Designated Amount as reduced by the amount of any Capital Installment made by the Investor Member after the Fiscal Year to which the obligation first applies. Once the Initial Designated Amount is reduced to $0, this deficit restoration obligation is no longer in force and effect and will not apply to any future year in which Investor Member has a negative Capital Account.

12.3 Termination of the Company

The Company shall terminate when all Company 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 Company, have been distributed to the Members as provided in this Article XII and in accordance with the Act.

ARTICLE XIII

ACCOUNTING AND REPORTS

13.1 Bank Accounts

All funds of the Company shall be invested in the name of the Company in accounts held at [redacted] by the Manager (other than the Replacement Reserve which shall be held by HCA), under such terms and conditions (including signatories) as the Manager shall approve, provided that such investments shall be limited to (a) PNC Bank, National Association or such other financial institutions as are acceptable to the Investor Member and whose deposits are insured by an agency of the U.S. Government (such as the Federal Deposit Insurance Corporation) and where the instrument's or account's maturity does not exceed the lesser of one year or the time period within which the funds are anticipated to be needed by the Company; or (b) direct obligations of the U.S. Government (such as U.S. Treasury Bills) where the instrument's maturity does not exceed the lesser of one year or the time period within which the funds are anticipated to be needed by the Company.

13.2 Books of Account

There shall be kept at the principal office of the Management Agent 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 Company. For federal income tax and financial reporting purposes, the Company and Manager shall use the accrual method of accounting and the tax year of the Company shall be the calendar year. Each Member shall have access thereto to inspect and copy such books of account at all reasonable times. Any Member shall further have the right to a private audit of the books and records of the Company, provided that such audit is made at the expense of the Member desiring the same and is made at reasonable times during normal business hours after due Notice. The Company shall retain all books and records for the longest of the period required by applicable laws and regulations, Section 42 of the Code, the Project Documents and Loan Documents.

13.3 Reports

The Investor Member hereby directs that all of the reports set forth below be sent to the Investor Member at the address set forth on Exhibit A-6 attached hereto or to another address as directed by the Investor Member.

(a) The Manager shall cause to be prepared and delivered to the Investor Member and, when required, shall cause the Company to file with relevant governmental agencies, each of the documents set forth below. Time is of the essence respecting the requirements set forth herein. In addition, and not in limitation of Investor Member's remedies under this Agreement, if the Manager shall fail to provide all or any of the requested documents or information to the Investor Member within the required time, which failure continues for thirty (30) days after receipt of written request from the Investor Member, the Manager

(from its own funds and not from the funds of the Company) shall pay to the Investor Member the amount of One Hundred Dollars ($100) per day from the thirty-first (31st) day until all of the requested documents or information are delivered to the Investor Member in compliance with Section 13.3(a)(8) below (provided, however, that (i) if the Manager gives written notice of its inability to comply with the reporting requirements of this section prior to the due date for the delivery of any such reports, Investor Member may elect, in its sole discretion, to decrease or waive the fee stated above and (ii) such fee shall not apply with respect to the Company Return related to calendar year 2020):

(1) Construction and Lease-up Progress. A "Construction Draw" shall be any request for the use of Project proceeds occurring after the date hereof until the Completion Date, and any request of Project proceeds or casualty insurance proceeds for construction-related activities occurring after the Completion Date. The Manager shall provide to the Special Member a copy of each and every Construction Draw, regardless of whether the Investor Member's Capital Contribution is a requested source of funding for such Construction Draw. The Manager shall send each Construction Draw to the Special Member at the same time it is sent to any other Member, Lender, HCA or other source of Project proceeds. Construction Draws may be submitted no more frequently than once per calendar month. Upon receipt by the Special Member of a complete Construction Draw submission (see below), the Special Member shall have ten (10) days to review and either consent and/or comment upon the Construction Draw. If the Special Member issues comments on the Construction Draw that require action by other parties, the Manager shall cause such actions to be taken as reasonably requested by the Special Member within thirty (30) days of the Special Member making such comments. Notwithstanding anything to the contrary contained herein, the Manager is not required to use a title company to process or pay any Construction Draws.

At a minimum, Construction Draws must include the following:

All requirements set forth in the Loan Documents for any Loan and/or the Bonds, as applicable; and

A date-down endorsement to the owner's Title Policy (if not available in the state, then a limited title search will be acceptable).

Other items the Manager may be required to furnish to the Special Member with the Construction Draw include, but are not limited to, copies of contracts and insurance policies for lien waivers, invoices related to purchases of stored construction materials, soil compaction testing results and concrete foundation cylinder test results.

In addition, the Manager shall provide to the Investor Member and to the Construction Inspector copies of all construction Loan draw requests submitted to the Lenders.

(2) AMI Reporting. Upon commencement of lease up of Units, Manager shall provide within fifteen (15) days after the end of each calendar month (i) a rent roll and/or lease-up reports reflecting units leased as of the end of such month, rental rates payable under such leases, and a summary of unit types of each Unit (i.e. AMI and number of bedrooms), (ii) Company financial statements (income statement and balance sheet) and (iii) such other information as the Investor Member may request; provided, however, upon Stabilization and Mortgage Loan Commencement, the Manager shall thereafter provide the Investor Member with financial statements and reports pursuant to the requirements set forth in Section 13.3(a)(4) in lieu of the monthly financial statements described herein.

(3) Full Initial Tenant Files and Subsequent Tenant Files. "Occupancy Report and Rent Roll" to be submitted monthly and not more than fifteen (15) days in arrears commencing on the Completion Date and continuing until the one (1) year anniversary of the Completion Date; once the one (1) year anniversary of the Completion Date is achieved such report shall be provided within fifteen (15) days of Special Member request for the same. The "Occupancy Report and Rent Roll" shall contain the following information (which may be provided in a report other than Management Agent's rent roll report): the total number of units in service, the number of physically occupied and vacant units, and all known move-ins and move-outs (including dates) during the quarter. The rent roll (or other report) must provide all information customarily included in this type of report in the industry and must also specify which units are receiving Section 8 rental assistance or the like (and state both the total collected rent and the amount of rent paid by the tenant), and the utility allowance for each Credit Unit. For all initial leases of Credit Units, the Manager shall deliver to the Investor Member and its Compliance Manager for review and approval the complete tenant file of each Credit Unit after execution of the lease of such Credit Unit, including, without limitation, each tenant's income certification/certificate of resident eligibility, all sources used in verifying income and assets (including, but not limited to, third party verification, checking and savings accounts, pay stubs, verification of assets, etc.) and a fully executed copy of such lease. The Investor Member and the Compliance Manager will review the occupancy and eligibility of tenants in a Credit Unit and the Members agree to resolve any objections the Investor Member may have with respect to such units at such time; provided in connection with the payment of the Second Capital Installment only, if neither the Investor Member nor the Compliance Manager object in writing to the occupancy of any tenant in a Credit Unit within fifteen business days (or thirty days if the Investor Member is provided more than fifty tenant files in any thirty day period) of receipt of the tenant file for such tenant, the Investor Member shall be deemed to have Consented or approved to occupancy of such tenant; provided, however, if the Investor Member subsequently disapproves of a tenant in a Credit Unit, HACM will diligently work with the Investor Member to resolve any eligibility issues. Thereafter, the Manager shall provide Credit Unit files and/or updated income and/or eligibility certificates

as may be reasonably requested by the Investor Member or its Compliance Manager, from time to time. Further, prior to commencement of the Lease-up Period, the management plan, including, without limitation, the rental criteria and criteria respecting lease termination and eviction shall be submitted to the Investor Member for its review and approval, and each change in such management plan and criteria shall also be submitted to the Investor Member for its review and approval prior to instituting any such change (unless such change is required by State law, HUD or the HCA).

(4) Annual Operating Budget. Annually, by no later than November 1 of the preceding Fiscal Year, the Manager shall prepare a proposed Annual Operating Budget which shall be submitted, in the form attached hereto as Exhibit J or in a substantially similar form, to the Investor Member and its asset manager (at the address set forth in Exhibit A-6 of this Agreement or to such other address as directed by the Investor Member) for its review and approval. The Investor Member shall have thirty (30) days to notify the Manager that it does not approve part or all of the proposed Annual Operating Budget and the reasons therefor, and in such event the Manager and the Investor Member shall negotiate in good faith to reach agreement on a new Annual Operating Budget, provided that until such issues are resolved the current year's Annual Operating Budget shall be used for the following year, increased annually by the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average for All Items (1982-84 = 100), as published by the Bureau of Labor Statistics of the U.S. Department of Labor. If during the term of this Agreement said Index shall not be published, such other available index as shall be designated by the Investor Member which is comparable in effect to that Index presently published by the Bureau of Labor Statistics shall be used in lieu thereof. The Annual Operating Budget shall specify all amounts required to be expended from the Project Operating Reserve and/or Replacement Reserve, if any, and shall list all work to be effected from the amounts removed from said Operating Reserve and/or Replacement Reserve, as appropriate.

(5) Quarterly Financial Statements of the Company. As soon as available and in any event not later than thirty (30) days after the end of each of the first three quarters of each year, unaudited financial statements of the Company, in the form attached hereto as Exhibit J and Exhibit K or in a substantially similar form, including (1) a balance sheet as of the end of such quarter, statements of changes in Members' capital accounts during such quarter, income statement for such quarter, statement of any compensation paid to or for the benefit of the Manager or its Affiliates (such as any Property Management Fee and Company Administrative Fee) and copies of the rent rolls (or other report) for the Project indicating the Unit number, tenant name, concessions, rent, family size, family income and area median income for each tenant; (2) an unaudited comparison of the actual results of the operations of the Company during the applicable quarter with the budget for such quarter pursuant to the Annual Operating Budget under Section 13.3(a)(3) of this Agreement; (3) a statement

indicating if there are any development deficits and/or operating deficits or anticipated development deficits and/or operating deficits, and if so, the manner in which it is anticipated such development deficits and/or operating deficits will be funded; (4) copies of any filings made by the Company during the previous quarter with respect to the Project's compliance with any income and rent regulatory restrictions imposed on the Project; (5) copies of any reports, notices and/or other communications received by the Company from the State HCA or any other governmental authority regarding the Project's compliance with any income and rent restrictions, applicable program or protected class, or any physical inspection of property and any responses to the same; (6) any other information regarding the Company and its operations during the prior fiscal quarter reasonably deemed by the Manager to be material to the Investor Member, for example, any lawsuits involving the Company or its Property; (7) if a mixed-income project, evidence of compliance with the next available unit rules under Section 42 of the Code, and such related information respecting the operations of such project as may be deemed by the Manager to be material to the Investor Member; and (8) any other information regarding the Company and its operations during the prior fiscal quarter reasonably requested by the Investor Member, including, without limitation, evidence of insurance coverage, all certified by the Manager as presenting fairly the financial condition of the Company at the date of such statements. Each such statement shall be prepared on an accrual basis, using consistently applied accounting principles.

(6) Annual Audited Financial Statements of the Company. As soon as possible and in any event not later than March 1st following the end of each Fiscal Year, the Manager shall provide copies of the audited financial statements of the Company prepared in accordance with Generally Accepted Accounting Principles (GAAP) to the Members. The financial statements shall be comparative (including the results for the current and immediately preceding year) and should include balance sheets and statements of operations, changes in members' equity and cash flows. Footnote disclosures will include summaries of related party transactions reporting compensation paid to or for the benefit of the Members or its Affiliates and GAAP income to taxable income reconciliations. Further, at the request of the Investor Member, but not more frequently than once every twelve months, Manager will send the following:

a) a certificate from an officer of the Manager to the effect that, as of the end of the preceding year, (A) all required payments of Project loan indebtedness, real estate taxes and insurance on the Project have been made (together with copies of paid receipts for such taxes and insurance) and (B) if applicable, to the actual knowledge of such officer, no material default has occurred and is continuing with respect to any mortgage financing relating to the Project or, to the extent that such officer is unable to certify to any of the foregoing, stating the reason for such inability and the action, if any, taken or proposed to be taken by the Manager relating

thereto, accompanied by proof of payment of property taxes and insurance for such fiscal year, and, upon request of Investor Member, confirmation from the applicable Project mortgage lenders of no payment default or other default of which such mortgage lender is aware under such mortgage loans;

b) a detailed statement of any transactions between the Company and the Manager or its Affiliates, and of fees, commissions, compensation and other benefits paid, or accrued, to the Manager or its Affiliates for the prior fiscal year of the Company, showing the amount paid or accrued to each recipient and a general indication of the services performed; and

c) a management report on the Project containing such information as is reasonably necessary to advise the Investor Member about its investment in the Company and the development or operation of the Project, including the issues addressed in the quarterly reports described above.

(7) Annual Financial Statements of the Manager and the Guarantor. As soon as available and in any event not later than one hundred eighty (180) days after the end of the Manager's and the Guarantor's fiscal year, drafts of the internally-prepared financial statements of the Manager and audited financial statements of the Guarantor as of the end of each such year (including the results for the current and immediately preceding year), with the final financial statements of the Manager and the Guarantor to be provided within 240 days after the end of the Manager's and the Guarantor's fiscal year, including, in each instance, 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 their operations and changes in their financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

(8) Annual Company Return. Beginning with the Fiscal Year when operations commence, as soon as possible and in any event not later than February 15th following the end of each Fiscal Year, the Manager shall provide all information necessary for the preparation of the Investor Member's federal income tax return for each year in respect to income, gains, losses, deduction or credits and the allocation thereof to each Member, including a Form K-1 (or other comparable form subsequently required by the IRS) and a copy of the federal "***Company Return***" and any state or local partnership tax return required to be filed by the Company, as well as an annual capital account calculation, 704(b) calculation and analysis (and, at the Investor Member's request, if losses are in excess of the projected losses in the Projections, proforma 704(b) analysis for the remainder of the Compliance Period), and minimum gain analysis prepared by the Accountants, Accountant-prepared

analysis of Company debt (and debt worksheet), which would include the extent to which each Member bears the economic risk of loss under Section 752 of the Code for such debt, and any other Accountant-prepared workpapers in connection with the preparation of the tax return as may be requested by the Investor Member. The Manager shall not file such Company Return without providing the Investor Member at least thirty (30) days to review and approve such return. To the extent that, for any reason, the Manager has not provided such information by June 1 of any Fiscal Year, the Investor Member may, at any time thereafter, by written notice to the Manager, require the Manager to replace the Accountants with accountants designated by the Investor Member (or otherwise acceptable to the Investor Member, at its option), and to the extent that such late receipt of information results in the Credits for such Fiscal Year not being used by the Investor Member because it elects not to amend its tax returns for such Year, then such unused Credits shall constitute additional Credit Deficiency payable hereunder.

(9) Periodic Reports Requiring Investor Member Approval. Any and all periodic reports required to be provided to the Investor Member by any federal, state, or local government agency having jurisdiction over the Project, or the Company.

(10) Notice of Defaults, IRS Proceedings. Within ten (10) days of (A) notice of any default under any Loan or financial obligation of the Company, (B) notice of any IRS proceeding involving the Company, or (C) any payment or draw made under any operating deficit guaranty, construction completion guaranty, performance bond or letter of credit, and any other significant developments affecting the Company, its business or assets.

(11) Estimate of Taxable Income, Loss and Credits. On or before November 25th of each year, an estimate of the Company's taxable income or loss and applicable Credits for such year and each Member's share thereof.

(12) Draws on Bonds; Calls on Guaranties. Notice of any draw, call or demand for payment from any third party respecting any contractor payment or performance bonds or construction completion guarantee and notice of any proposed Manager recommendation respecting action to be taken by the Company respecting draw, call or demand for payment respecting any such bonds or guaranties (which Manager's recommendation shall require the Consent of the Investor Member, which shall not be unreasonably withheld).

(13) HCA Information. Within ten (10) days of filing or receipt, copies of all annual reports or other filings (including the Extended Use Agreement) submitted to the HCA and copies of all material correspondence with the HCA with respect to the Company or the Project. No later than ten (10) days prior to filing, copies of reports submitted to the HCA (including the Annual Compliance Certification as applicable) in connection with the Income Averaging Set-Aside.

(14) Cash Flow. Thirty (30) days prior to any allocation or distribution of Cash Flow, the Manager shall submit to the Investor Member for approval an accounting of available Cash Flow and the proposed allocation or distribution, in a form acceptable to Investor Member.

(15) Taxes, Insurance and Loan Payments. Annually, the Manager shall provide evidence that all Loan payments and taxes and insurance payments with respect to the Project are current, and documentation evidencing same.

(16) Reserves. Annually, and more frequently, if requested by the Investor Member, from time to time, the Manager shall provide bank statements documenting the then current balances in the Reserves.

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

(18) Evidence of Cash Flow Mortgage Payments. Not later than sixty (60) days after the end of each year, written evidence acceptable to the Investor Member of full and timely payment of the amounts then due for the prior Fiscal Year, under all Project Mortgage debt payable solely from Project Cash Flow.

(19) Information Requested by the Investor Member. If requested by the Investor Member, such other information regarding the state of the business, financial condition and affairs of the Company, as the Investor Member, from time to time, may reasonably request, including, but not limited to, a certification by the Manager that (A) there is no default under any provision of the Loan or Project Documents or this Agreement, or if there is any default, a description thereof, and (B) to its knowledge, there is no building, health or fire code violation or similar violation of a governmental law, ordinance or regulation against the Project or, if there is such violation, a description thereof.

(20) Quarterly Status Reports to be submitted quarterly within thirty (30) days of the end of the applicable quarter commencing upon the Completion Date and continuing until the last day of the Compliance Period. The "Quarterly Status Reports" shall be in form and content acceptable to the Special Member and shall contain the information requested in **Exhibit H**, attached hereto, as such Quarterly Status Report may be amended or modified from time to time by the Special Member.

(b) The Manager shall promptly respond to all reasonable requests for information made by the Investor Member.

(c) The Manager shall deliver to the Investor Member from time to time, and within ten (10) days after request therefor, all such further statements and information as the Investor Member may request in order to enable the Investor

Member to determine or verify the amounts of all payments that the Manager shall be required to make to the Members and the amounts of credits, and all such statements and information needed by the Investor Member in connection with reports and forms required to be filed by the Investor Member pursuant to federal or state securities law. Further, upon the material failure of the Project to perform in accordance with the Projections, the frequency of the required reporting under this Section 13.3 may be increased, from time to time, upon written notice from the Investor Member.

(d) Each party hereby agrees and acknowledges that the Investor Member may share with any of its Affiliates any information that is not required to be kept confidential (examples of confidential information include, but are not limited to, social security numbers, health information on residents, personal financial information on residents, and similar types of information) provided to the Investor Member relating to the Company, the Project, the Manager or the Guarantor (or any Affiliates thereof). Each Member is also authorized to disclose the terms and nature of this Agreement to its Affiliates, advisors, auditors, attorneys, accountants and regulators and as required by statute, regulation, accounting guidelines or the order of any court or administrative agency or as otherwise required by law.

13.4 Company Representative

The Manager shall serve as the Company Representative and the then serving Executive Director of the Housing Authority of the City of Milwaukee, shall serve as the Designated Individual. The Company Representative shall have all of the powers and obligations ascribed to the Tax Matters Partner in this Agreement. The Manager shall take any and all action required under the Code or the Treasury Regulations, as in effect from time to time, to designate itself (including on all applicable Company tax returns) as the Company Representative and the then serving Executive Director of the Housing Authority of the City of Milwaukee, as the Designated Individual, unless otherwise directed by the Investor Member. The Manager and Designated Individual shall obtain the Consent and approval of the Investor Member for all actions taken as the Company Representative or Designated Individual. Should the Manager or Designated Individual either: (i) be removed or resign or no longer have the capacity to act; or (ii) fail to obtain the Consent and approval from the Investor Member prior to acting under this Section 13.4, and to the extent permitted by the Code, the Manager and/or Designated Individual shall take such actions as may be necessary or appropriate to resign as Company Representative and/or Designated Individual, respectively, and to appoint the Investor Member or its designee the replacement Company Representative and/or replacement Designated Individual. References in this section to Sections 6221 through 6235 of the Code shall mean such sections as they apply to returns filed for Company taxable years beginning after December 31, 2017.

(a) Cooperation. The Manager shall cooperate with the Investor Member in good faith to amend this Agreement if the Investor Member determines that an amendment is required after promulgation of Treasury Regulations implementing the Budget Act to maintain the intent of the parties with respect to the obligations and limitations of the Company Representative and/or Designated Individual.

(b) Elections and Other Actions. Solely at the direction of and with the Consent of the Investor Member, in the Investor Member's sole and absolute discretion, but to the extent permitted under the Code, the Company Representative and Designated Individual shall:

(1) Elect pursuant to Section 1101(g)(4) of the Budget Act to apply the provisions of Section 1101 of such act to any return of the Company filed for taxable years of the Company beginning after the date that such act was enacted but prior to January 1, 2018;

(2) Make an election under Code Section 6221(b);

(3) Cause the Company to take action pursuant to Section 6225(c) of the Code and the Treasury Regulations promulgated thereunder, including the filing of amended returns pursuant to Section 6225(c)(2) of the Code, at such times as such provision may be applicable;

(4) Make an election under Code Section 6226(a);

(5) File a request for an administrative adjustment of a Company item under Section 6227 of the Code;

(6) Commence an action for judicial review as contemplated in Section 6234 of the Code or appeal any adverse determination of a judicial tribunal;

(7) Enter into a settlement agreement with the Internal Revenue Service which purports to bind the Company or the Investor Member; or

(8) Enter into an agreement extending the period of limitations set forth in Section 6235 of the Code.

(c) Responsibilities of Company Representative and Designated Individual.

(1) If the Investor Member directs the Company Representative and Designated Individual to cause the Company to pay the imputed underpayment under Section 6225 of the Code, the Company Representative and Designated Individual shall equitably apportion any imputed underpayment among the Members (including former Members) to whom such liability relates (as reasonably determined with the Consent of the Investor Member) which is anticipated to be based on their interests in the Company for the year giving rise to the imputed underpayment, provided the Manager shall be responsible for any imputed underpayment to the extent such imputed underpayment results from the Manager's conduct that is finally determined by a court of competent jurisdiction to have constituted recklessness, fraud, bad faith or willful misconduct. In determining each Member's share of an imputed underpayment, the Company Representative and Designated Individual shall take into account (by reducing the amount of an underpayment apportioned to

a Member) any modifications to the imputed underpayment attributable to a Member under Sections 6225(c)(2), (3), (4), or (5) of the Code. The Company Representative and Designated Individual shall seek payment from the Members (and former Members) for the amount of the imputed underpayment attributable to such Member (or former Member), and each such Member agrees to pay such amount to the Company. Any such payment made by a Member shall be treated as a capital contribution, unless the Accountants determine that such treatment would prevent the Investor Member from being allocated 99.99% of Federal Credits. Any amount not paid by a Member (or former Member) within thirty (30) days of a request by the Company Representative or Designated Individual shall accrue interest at the applicable federal rate under Section 1274(d) of the Code. Any imputed underpayment amount paid by the Company and attributable to a Member shall be treated as a distribution to such Member. Amounts contributed by former Members pursuant to this Section shall not be treated as a capital contribution and amounts paid by the Company and attributable to a former Member shall not be treated as a distribution to such former Member.

(2) The Company Representative and Designated Individual shall fully comply with the requirements of the Company Audit Rules, the Treasury Regulations thereunder, and other Internal Revenue Service guidance and the Company shall fully indemnify, hold harmless and advance expenses to the Company Representative and Designated Individual in respect of any and all claims, damages, liabilities, costs (including, without limitation, the costs of litigation and reasonable attorney's fees and expenses) and causes of action arising out of, resulting from or attributable in whole or in part to undertaking such statutory responsibilities, unless (A) the actions of the Company Representative or Designated Individual are finally determined by a court of competent jurisdiction to have constituted recklessness or intentional misconduct, or (B) the Company Representative or Designated Individual fails in a material way to comply with its obligations to notify the Investor Member of any correspondence or communication to, from, or with the Internal Revenue Service (as needed to obtain the consent of the Investor Member to any action or inaction in accordance with this Agreement).

(3) The Company Representative through the Designated Individual shall represent the Company, at the Company's expense, in connection with all examinations of the Company's affairs by tax authorities and all administrative and/or judicial proceedings by the Internal Revenue Service or any government authority involving any income tax return of the Company.

(4) The Company Representative and Designated Individual shall promptly furnish to each Member written notice with respect to any and all correspondence or communications to, from, or with the Internal Revenue Service, including, but not limited to, conventional mail, e-mail or other internet-based communications, telephone calls, meetings, or facsimiles, and also including but not limited to the following events and actions:

(i) The making of any election under Code Section 6221(b);

(ii) The making of any election under Code Section 6226(a), and a copy of the applicable statement under Code Section 6226(a);

(iii) The Company's receipt of a notice of administrative proceeding initiated at the "partnership level" (within the meaning of Section 6231(a)(1) of the Code);

(iv) The Company's receipt of a notice of "proposed partnership adjustment" (within the meaning of Section 6231(a)(2) of the Code);

(v) The Company's receipt of a notice of "final partnership adjustment" (within the meaning of Section 6231(a)(3) of the Code);

(vi) The Company's filing of a "request for administrative adjustment" (within the meaning of Section 6227(a) of the Code);

(vii) The Company's filing of any petition for judicial review;

(viii) The Company's filing of any appeal with respect to any judicial determination; and

(ix) Any final judicial determination.

(5) The Investor Member and its representatives have the right to be present at all stages of administrative and/or judicial proceedings involving an audit of, or appeal of an audit of, an income tax return of the Company and monitor or assist with, at its own cost, any such proceeding.

(6) The Company Representative and Designated Individual shall not be required to take any action or incur any expenses for the defense of any audit or the prosecution of any administrative or judicial remedies in its capacity as Company Representative or Designated Individual, as applicable, unless the Company reserves sufficient funds to pay the expenses of such activities or the Members agree on a method of funding expenses incurred in connection with such activities.

(7) Each Member shall furnish to the Company Representative or Designated Individual such information that the Company Representative or Designated Individual reasonably requires to comply with the requirements of the Code, including Section 6225(c) of the Code. The Company Representative or Designated Individual annually or more frequently (as the Company Representative or Designated Individual shall determine) may request from each Member and former Member and each Member and former Member shall provide such information, including, but not be limited to:

(i) The Member's or former Member's current address and its taxpayer identification number.

(ii) If the Member or former Member is an S corporation, such Member's taxpayer identification and the name, address, and taxpayer identification number of each of its shareholders.

(8) Each Member is aware of the income tax consequences of the allocations made by this Agreement and of its duty under Section 6222 of the Code to treat each item of Company income, gain, loss, deduction or credit in a manner that is consistent with the treatment of such items on the Company's tax return(s) and shall notify the Company Representative of their treatment of any item of Company income, gain, loss, deduction or credit that is or may be inconsistent with the treatment of such item on the Company's tax return.

(9) The Company Representative and Designated Individual may rely on the advice or services of any lawyers, accountants, tax advisers, or other professional advisers or experts and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying, so long as the Company Representative and/or Designated Individual has obtained a services agreement with such service providers in the name of the Company.

(10) The Company Representative and Designated Individual shall undertake to perform only such duties as are expressly set forth in this Agreement and no duties shall be implied. The Company Representative and Designated Individual shall have no liability under and no duty to inquire as to the provisions of any agreement other than this Agreement. The Company Representative and Designated Individual shall not be liable for any action taken or omitted to be taken by it in good faith. The Company Representative and Designated Individual may rely upon any notice, instruction, request or other instrument, not only as to its due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein, which the Company Representative or Designated Individual, as applicable, shall believe to be genuine and to have been signed or presented by the person or parties purporting to sign the same.

(11) Each Member hereby waives, releases and agrees not to sue the Company Representative or Designated Individual, or any of the Company Representative's or Designated Individual's, affiliates, officers, directors, employees, attorneys, partners or agents, as applicable, for damages in respect of any claim in connection with, arising out of, or in any way related to, the Company Representative's or Designated Individual's duties under this Agreement unless the actions of the Company Representative or Designated Individual, as applicable, are finally determined by a court of competent jurisdiction to have constituted recklessness or intentional misconduct.

(12) This Section 13.4 shall survive termination of any Member's interest in the Company for any reason and shall be binding on all Members, including former Members.

(13) Tax Returns and Information. The Members intend for the Company to be treated as a partnership, rather than as an association taxable as a corporation, for federal income tax purposes. Except as otherwise provided in this Agreement, all tax elections required or permitted to be made by the Company under the Code shall be made by the Manager, after consultation with the Investor Member. The Manager shall prepare or cause to be prepared all federal, state, and local income and other tax returns that the Company is required to file.

The provisions of this Section 13.4 shall survive the termination of the Company or the termination of any Member's interest in the Company and shall remain binding on the Members for the period of time necessary to resolve with the Internal Revenue Service or the United States Department of the Treasury any and all matters regarding the United States federal income taxation of the Company.

ARTICLE XIV

SALE; RIGHT OF FIRST REFUSAL

14.1 Sale of Investor Member Interest.

(a) Provided that the Manager is not in default hereunder, commencing at the end of the Compliance Period and continuing until one year following the expiration of the Compliance Period (the "***Option Period***"), the Guarantor shall have the option (the "***Buyout Option***"), exercisable upon at least thirty (30) days and not more than ninety (90) days prior written notice to the Investor Member, to purchase the Investor Member's entire Interest in the Company for a purchase price (the "***Buyout Price***") equal to the sum of (A) all Credit Deficiencies, fees, loans and other amounts owed to the Investor Member under this Agreement plus (B) the greater of (i) the Fair Market Value of the Investor Member's Interest, which shall be determined subject to continued use of the Project for low-income housing for the Extended Use Period, as of the date of the closing of the Buyout Option; or (ii) an amount equal to the aggregate amount to be distributed to the Investor Member pursuant to the provisions of Section 8.2 hereof upon a sale of all assets of the Company, including, without limitation, the Project, at the Appraised Value (as defined below). The Guarantor's notice to the Investor Member (the "***Buyout Notice***") shall include (1) an appraisal of all of the assets of the Company subject to the low-income use described in clause (i) above (the "***Appraised Value***") by an independent, MAI appraiser selected by the Guarantor, having not less than five (5) years' experience in appraising similar properties in the city where the Project is situated (an "***MAI Appraiser***"), and (2) a calculation by the Accountants of (a) the value of the Investor Member's Interest based on the Investor Member's share of Capital Proceeds, assuming a sale of the Company property at the Appraised Value and (b) the Buyout Price, all calculated as of the closing date proposed by the Guarantor in its Buyout Notice. The Investor Member 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 Guarantor of its desire to appoint a second appraiser to evaluate the Buyout Price. In the event that the Investor Member fails to notify the Guarantor 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 Guarantor shall purchase the Interest of the Investor Member on the date specified in the Buyout Notice.

(b) In the event that the Investor Member notifies the Guarantor of its election to appoint a second appraiser, the Investor Member shall appoint an MAI Appraiser within thirty (30) days after notification of the Guarantor of such election, and the two appraisers shall together appoint a third MAI Appraiser within fifteen (15) days after the appointment of the second appraiser. The three appraisers so appointed shall each determine the Appraised Value of the assets of the Company within thirty (30) days after the appointment of the third appraiser, and the Appraised Value of such assets for the purpose of determining the Buyout Price shall be the average of the three appraisers' determinations; provided, that if one or more of the appraisers' determinations is more than ten percent (10%) higher or lower than the average of the three determinations, the determination(s) of such appraiser(s) shall be disregarded in determining the Appraised Value of the assets, and provided, further, that if none of the appraisers' determinations differs from the average of the three determinations by ten percent (10%) or less, the Appraised Value shall be the middle of the three determinations. The Accountants shall determine the value of the Investor Member's Interest and the Buyout Price in accordance with Section 14.1(a), within fifteen (15) days after the last of the three appraisers complete their determinations, and the closing of the sale of the Investor Member's Interest to the Guarantor shall occur within sixty (60) days thereafter. The entire Buyout Price shall be paid to the Investor Member at the closing in cash or immediately available funds acceptable to the Investor Member. The Investor Member shall be responsible for the costs of the second appraiser and one-half (½) of the costs of the third appraiser, if any. The Company shall pay all attorneys' fees incurred in connection with the closing. All other costs of the Buyout, including the costs of the appraiser appointed by the Guarantor, the Accountants' fees and any filing fees, shall be paid by the Guarantor.

(c) Any sale of the Investor Member's entire Interest in the Company pursuant to this Section 14.1 shall include the sale of the Special Member's entire Interest in the Company.

14.2 Sale of the Project

If, upon the expiration of the Option Period, the Guarantor has not acquired either the Project or the Investor Member's entire Interest in the Company under the terms of this Agreement or otherwise, the Investor Member shall have the right to commence the marketing of the Project for sale. If a bona-fide third party purchase offer is received by the Investor Member,

the Investor Member shall promptly forward a copy thereof to the Guarantor. The Guarantor shall have the option, exercisable within sixty (60) days of receipt of the copy of such purchase offer, to purchase the Investor Member's entire Interest in the Company for a purchase price equal to the lesser of (i) the Buyout Price, determined in accordance with the terms of Section 14.1, or (ii) an amount equal to the aggregate amount to be distributed to the Investor Member pursuant to the provisions of Section 8.2 hereof upon a sale of all assets of the Company, including, without limitation, the Project, at the purchase price set forth in the third party purchase offer. If the Guarantor desires to exercise its option under this Section 14.2, it shall do so by giving written notice thereof to the Investor Member within the 60 day option period set forth above. If the Guarantor does not exercise its option in accordance with this Section 14.2 or its right of first refusal pursuant to Section 14.3, the Investor Member shall have the right to sell the Project to the purchaser identified in the purchase offer delivered to the Guarantor, so long as the purchase price and other terms of the purchase of the Project are at least as favorable as set forth in such purchase offer. The Capital Proceeds of such sale shall be distributed as provided in Section 8.2. Any sale of the Investor Member's entire Interest pursuant to this Section 14.2 shall include the sale of the Special Member's entire Interest in the Company.

14.3 Right of First Refusal – 42(i)(7)

The Guarantor is hereby granted a right of first refusal, commencing upon expiration of the Compliance Period and continuing at all times thereafter, to purchase the Project at a price equal to the Refusal Price (as defined below); provided that this right may be exercised by the Guarantor or its assignee only: (i) to the extent then permitted under applicable law, (ii) if the Guarantor or its permitted assignee is then a qualified nonprofit organization pursuant to Section 42(h)(5)(C) of the Code having as its charitable purpose, the development and provision of housing to low-income households, and desires to continue the low-income occupancy of the Project, and (iii) if the Manager is at such time the Manager of the Company, without default hereunder, or if the Manager has been removed for reasons other than bankruptcy, fraud, malfeasance or willful misconduct. The Refusal Price shall be the sum of: (i) the then-outstanding principal indebtedness secured by the property, and all accrued and unpaid interest thereon, if any (the "***Mortgage Debt***"), (ii) all Federal, State and local taxes attributable to the sale, and (iii) any unpaid Credit Deficiency, Default Cash Flow Priority, Tax Equivalency Payments, any loans or other advances made by the Investor Member and any and all other amounts then owing to the Investor Member under this Agreement. The Refusal Price shall be payable in cash; provided that, with the consent of the applicable lenders, the Mortgage Debt may be assumed by the Guarantor (provided that the Company is released from liability therefore), which assumption will correspondingly reduce the cash component of the Refusal Price, dollar for dollar. Upon receipt by the Guarantor of the first offer to purchase the Project following the end of said initial fifteen (15) year Compliance Period, the Guarantor shall thereupon have a period of thirty (30) days thereafter to notify the Investor Member in writing of its intent to exercise this right of first refusal. Upon failure to timely deliver such notice, this right of first refusal shall thereupon terminate. If timely exercised, then the Project shall be sold to the Guarantor for the Refusal Price, on a date acceptable to the Investor Member within sixty (60) days thereafter, pursuant to a sale contract between the Company and the Guarantor containing customary real estate transfer and closing proration requirements and otherwise reasonably acceptable to the Investor Member. The parties hereto acknowledge and agree that upon receipt by the Guarantor of an offer to purchase the Project following the end of the

Compliance Period, the Guarantor shall have the right, in its sole discretion, to exercise the option to purchase set forth in Section 14.2 or to exercise the right of first refusal set forth in this Section 14.3, and the right of first refusal granted pursuant to this Section 14.3 is intended to comply in all respects with Section 42 of the Code and in all events shall conform to the requirements of Section 42 of the Code.

14.4 Investor Member Put.

At all times after the end of the Credit Period, the Investor Member shall have the right to put its entire Interest to the Guarantor (or its designee) upon notice to the Guarantor (the "**Put Notice**") for a price equal to the sum of the following: (i) One Thousand Dollars ($1,000.00); (ii) the Investor Member's costs and expenses associated with the transfer of its Interest, excluding the Investor Member's legal and accounting fees associated with the transfer of its Interest; (iii) [Reserved]; and (iv) all amounts due and owing to the Investor Member from the Manager or the Company. Such transfer shall be completed within 120 days of the Put Notice and shall be made pursuant to an Assignment and Assumption Agreement reasonably acceptable to the Investor Member (which will address such matters as release and indemnity of the Investor Member from and after the effective date of such assignment and assumption and, if during the Compliance Period, continuation and ratification of the Credit Deficiency guarantees of the Manager and Guarantors, other than respecting Credit Deficiencies arising from such Investor Member transfer). The put price shall be paid by the Manager in cash within 120 days of Manager's receipt of the Put Notice, at which time the Investor Member shall execute an amendment to the Operating Agreement pursuant to which the Investor Member shall withdraw as a Member, in form and substance reasonably acceptable to the Guarantor. Any sale of the Investor Member's entire Interest pursuant to this Section 14.4 shall include the sale of the Special Member's entire Interest.

ARTICLE XV

MISCELLANEOUS PROVISIONS

15.1 Amendments to Agreement

This Agreement can only be amended by instrument in writing signed by all Members hereto.

15.2 Notices

All Notices to be given under this Agreement shall be sent to the Persons shown on Exhibit A-6 at the addresses for such Persons set forth on Exhibit A-6; provided, that any Person may change its Notice address or attention by providing Notice thereof to all other Members.

15.3 Meetings of the Company

Meetings of the Company may be called by the Manager or by the Investor Member for any matters upon which the Members may vote, as set forth in this Agreement. The calling of a meeting shall be made:

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

(b) By the Investor Member, which shall give Notice to the Manager, which Notice shall include a statement of the purposes of the meeting. No more than fifteen (15) days after receipt of such Notice, the Manager shall provide Notice of the meeting to the Investor Member in accordance with Section 15.3(a).

15.4 Action for Breach

The representations, warranties, covenants, agreements, and duties of the Manager contained in this Agreement are being made in order to induce, and in consideration of, the Investor Member's acquisition of its Interest. Upon the breach of any representation, warranty, covenant, agreement, or duty, the Investor Member, if decided by Consent of the Investor Member, may pursue any available legal or equitable remedy against the Manager without being required to dissolve the Company and notwithstanding the availability of any other remedy, and shall be entitled to payment of its reasonable attorneys' fees, expenses and other costs, regardless of whether litigation is commenced.

15.5 Survival of Representations

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

15.6 Entire Agreement

This Agreement, including without limitation, all Exhibits attached hereto and incorporated herein by this reference, contains the entire understanding between and among the parties and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

15.7 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, without regard to principles of conflicts of laws.

15.8 Severability

This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable statutes, laws, ordinances, rules, and regulations. If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall

be enforced to the greatest extent permitted by law. In the event that any provision of this Agreement or the application thereof shall be invalid or unenforceable, the Members agree to negotiate (on a reasonable basis) a substitute valid or enforceable provision providing for substantially the same effect as the invalid or unenforceable provision.

15.9 Binding Effect

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

15.10 Counterparts

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

15.11 Successor Statutes and Agencies

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

15.12 No Implied Waiver

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

15.13 Attorney's Fees

In the event of litigation and/or upon a Final Determination, the prevailing party shall be entitled to receive its reasonable attorney's fees and expenses.

15.14 HUD Requirements

(a) Notwithstanding any other clause or provision in the Certificate or Agreement, and so long as either of the Rental Assistance Demonstration Use Agreement or the Choice Neighborhoods Declaration of Restrictive Covenants each dated as of substantially even date herewith, as amended from time to time (jointly the "HUD Restrictive Covenants") is in effect, the following provisions shall apply:

(1) If any of the provisions of this Agreement conflict with the terms of the HUD Restrictive Covenants, the provisions of the HUD Restrictive Covenants shall control.

(2) The provisions in this Section 15.14 are required to be inserted into this Agreement by HUD and may not be amended without HUD's prior written approval. If there is a conflict between any of these HUD-required provisions and any other provision of this Agreement, the terms of these HUD-required provisions will govern. If there is a conflict between any of the provisions in the Certificate and these HUD-required provisions of this Agreement, these HUD-required provisions will govern. If there is a conflict between the HUD Restrictive Covenants or these HUD-required provisions relating to the RAD or the Choice Neighborhoods Initiative ("CNI") and any HUD-required provisions relating to mortgage insurance provided in connection with the National Housing Act, the more restrictive provisions shall control.

(3) The Manager may be removed for cause by the Investor Member pursuant to Article IX of this Agreement but only subject to the conditions set forth in Section 37 of Part 2 of the Housing Assistance Payments Contract (for PBV RAD conversions from Public Housing) (the "HAP LIHTC Provisions").

(4) The Members acknowledge that provision of rental assistance to the Project depends on [redacted] to be a Member in the Company and to be controlled by HACM. [redacted] may not transfer all or part of its interest in the Company without prior written consent of HUD. Failure of [redacted] to be controlled by HACM, except as provided above in paragraph 3, shall be a violation of this Agreement and may cause termination of such rental assistance.

(5) Neither the Company nor any Member shall have any authority to:

A. Take any action in violation of the HUD Restrictive Covenants; or

B. Fail to renew the RAD HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by HACM or HUD.

(6) Without the consent of [redacted] (and provided that the Manager has not been removed for cause by the Investor Member in accordance with paragraph 3 above), neither the Company nor any Member shall have any authority to:

A. Except to the extent permitted by the RAD HAP Contract or HUD Restrictive Covenants, transfer, convey, assign, mortgage, pledge, sell, lease, sublease or otherwise dispose of, at any time, the Project or any part thereof; or

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

(b) Neither the Company nor any other participating party shall succeed to any rights or benefits of HACM under its Annual Contributions Contract with HUD (the "***ACC***"), or attain any privileges, authorities, interests or rights in or under the ACC.

(c) Nothing contained in the ACC, or in any agreement between HACM and the Company, nor any act of HUD or PHA, shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture or any association or relationship between HUD and the Company, except between HUD and HACM as provided under the terms of the ACC, other than the Declaration of Restrictive Covenants.

(d) The parties hereto agree that neither the Company nor the Investor Member under this Agreement or any other document entered into between the Company, the Investor Member or the Guarantor, shall have any recourse against (i) any public housing project owned by the Guarantor, (ii) any operating receipts of the Guarantor as defined in the Consolidated Annual Contributions Contract between HUD and the Guarantor dated as of September 13, 1995, or any replacement, amendment or modification thereof or (iii) any public housing operating reserve of the Guarantor reflected in the Guarantor's annual operating budget and required under the ACC.

15.15 Arbitration

(a) Any dispute arising under or relating to this Agreement shall be submitted to binding arbitration in the manner provided under the Commercial Arbitration Rules of the American Arbitration Association then in effect subject to the following modifications:

(1) Arbitration shall take place in Milwaukee, Wisconsin.

(2) Notwithstanding any provision to the contrary in the applicable law or in the rules of the American Arbitration Association, the arbitrators shall have no authority or jurisdiction to award lost profits, punitive, multiple or consequential damages of any nature. The arbitrators shall only have authority to award injunctive relief, specific performance, direct damages, and any other relief needed to establish such damages.

(3) The parties agree that the arbitrators shall decide evidentiary issues arising in the Arbitration using the Wisconsin Rules of Evidence.

(4) To the extent not covered by the arbitrator's award, the cost of the arbitration shall be shared equally by the parties.

(5) The arbitrators shall specify in writing the factors underlying their decision.

(6) Any arbitrator appointed under the terms of this Section 15.15 shall be selected from the panel of arbitrators maintained by the American Arbitration Association.

(7) There shall only be one arbitrator, selected pursuant to the Commercial Arbitration Rules, to undertake the Arbitration; provided, however, that such arbitrator shall have not less than ten years of experience with low-income housing tax credit developments; and

(8) Notwithstanding the rules of the American Arbitration Association or any other applicable rules or applicable law, the arbitrator shall be required to render its final decision within ten (10) business days following its appointment. Any breach by the arbitrator of the requirement to render a Final Arbitration Award within such ten (10) business days shall not prejudice either party.

(b) In addition to the foregoing, Investor Member agrees that it is bound by the arbitration provision in Section 8.8(B) of the Construction and Term Loan Agreement dated on or about the date hereof, including, without limitation, the obligation to make any Misdirected Payments to the extent required by an arbitration award as provided therein.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

AMENDED AND RESTATED OPERATING AGREEMENT

Signature Page

Manager:

[redacted]

a [redacted] limited liability company

By: Housing Authority of the City of Milwaukee, its Manager

By: _____

Name: Antonio M. Perez

Title: Secretary and Executive Director

STATE OF WISCONSIN)
) ss.
CITY / COUNTY OF MILWAUKEE)

On this 24th day of March, 2020, before me appeared Antonio M. Perez, to me personally known, who, being by me duly sworn, did say that he is the Secretary and Executive Director of the Housing Authority of the City of Milwaukee, the Manager of [redacted] a limited liability company of the State of Wisconsin, and that said instrument was signed on behalf of said company, by authority of its Members; and said person acknowledged said instrument to be the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

PATRICIA DEE
Notary Public
State of Wisconsin

Patricia Dee
Notary Public

My term expires:
12/18/2020

AMENDED AND RESTATED OPERATING AGREEMENT

Signature Page

Guarantor:

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE
(For the sole purpose of Sections 14.1, 14.2, 14.3 and 14.4)

By: _____
Name: Antonio M. Perez
Title: Secretary and Executive Director

STATE OF WISCONSIN)
) ss.
CITY / COUNTY OF MILWAUKEE)

On this 23rd day of March, 2020, before me appeared Antonio M. Perez, to me personally known, who, being by me duly sworn, did say that he is the Secretary and Executive Director of the Housing Authority of the City of Milwaukee, a public body corporate and politic organized under the laws of the State of Wisconsin as a municipal corporation, and that said instrument was signed in behalf of said corporation, by authority of its Board of Directors; and said person acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Patricia Dee
Notary Public

My term expires:
12/8/2020

PATRICIA DEE
Notary Public
State of Wisconsin

Signature Page

Investor Member

[redacted]
a national banking association

By: [redacted]
Name: [redacted]
Title: [redacted]

Exhibit A-2
Capital Installment Notice

_____, ____

_____
_____
_____
_____
Attn.: Asset Manager

The Manager hereby certifies that the following representations and warranties remain true, correct, and not misleading on and as of the due date for the [_____] Capital Installment of the Investor Member's Capital Contribution pursuant to Section 3.2(c) of the Agreement and Exhibit A-1.

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

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

(iii) *No Bankruptcies.* No Event of Bankruptcy has occurred and is continuing, and no event has occurred that, with the passage of time, could become an Event of Bankruptcy, with respect to the Manager, any Guarantor or any of their respective Affiliates.

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

(v) *REAC Scores and Notices of Non-Compliance.* The Project has not failed any REAC inspections nor has it received any IRS Form 8823 in which the HCA has not certified that the noncompliance has been corrected.

(vi) *Advances Paid.* All Credit Adjuster Payments, Development Advances, Development Fee Advances, Operating Reserve deposits, Replacement Reserve deposits, Operating Deficit Advances and any other deposits, advances, or contributions required

to be made by the Manager or its Affiliates pursuant to the Agreement (and any exhibits attached hereto) have been made.

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

(viii) *Document Compliance.* True, correct and complete copies of all documents required by Section 13.3 of the Agreement and by Exhibit A-1 to be provided to the Investor Member as of such date have been delivered to the Investor Member.

(ix) *No Audit.* There is no Notice from, or ongoing audit by, the IRS in which the IRS is asserting, by means of a notice, thirty day letter, or otherwise, that the Credit available to the Company for any Fiscal Year is less than the amount of Credit claimed by the Company for that year or that all or any portion of the Credit claimed with respect to any prior Fiscal Year(s) must be recaptured pursuant to Section 42(j) or other relevant sections of the Code, or is unavailable to the Company.

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

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

(xii) *All Prerequisites Satisfied.* The preconditions to payment of the applicable Capital Installment, pursuant to Exhibit A-l to the Agreement, have occurred and all construction draw request documents required pursuant to Section 3.2 of the Operating Agreement have been provided and are reasonably acceptable to the Investor Member.

(xiii) *Insurance.* The insurance on the Project and Project meets all requirements of the Investor Member as set forth in the Agreement and is in full force and effect.

(xiv) *Credit Deficiencies and Lease-up.* Respecting all Capital Installments payable after the occurrence of the Completion Date, there are no existing Credit Deficiencies (and no Credit Deficiencies are anticipated), and there has been no change in

the Lease-up Period as set forth in the Projections, other than any matters disclosed to the Investor Member in writing prior to the date hereof.

(xv) *Occupancy.* Respecting all Capital Installments payable after the occurrence of Completion Date and achievement of the Lease-up Period, each Credit Unit that is included in the computation of the eligible basis of the Project in the Projections and for which a certificate of occupancy has been obtained is either (A) occupied by Qualifying Tenants or (B) held available for occupancy by Qualifying Tenants after having been rented to Qualifying Tenants, at the time of payment of each Capital Installment, and the operation of the Project and each Unit in all respects complies with the provisions of Section 42 of the Code and applicable law, other than any matters which have been disclosed to the Investor Member in writing prior to the date hereof.

(xvi) *Representations and Warranties.* All representations and warranties set forth in Section 5.6 of the Agreement remain true and correct as of the date hereof, except as follows: **[insert any updates to representations and warranties, if applicable].**

(xvii) *Definitions.* All terms not otherwise defined herein shall have the meanings therefor set forth in the Amended and Restated Operating Agreement of [redacted] dated [redacted] (the ***"Agreement"***).

IN WITNESS WHEREOF, the undersigned has executed this Notice as of this _____ day of _____, _____.

[redacted]

a [redacted] limited liability company

By: Housing Authority of the City of Milwaukee, its Manager

By:_____
Name:_____
Title:_____

Exhibit A-5

Cash Flow Payment Priorities

Subject to the provisions of Section 8.1, payment of fees and other expenses contingent on Cash Flow and distributions to Members from Cash Flow shall be made in the following order of priority:

First, to the Investor Member as payment of the Asset Management Fee and then to repay any loans or other advances made by the Investor Member.

Second, to make payments then due and payable with respect to the Housing Trust Fund Loan.

Third, to replenish the Operating Reserve pursuant to Exhibit A-7, if applicable.

Fourth, to pay any outstanding and unpaid Credit Deficiencies then due including amounts owed due to a Change in Law, together with interest thereon, if any.

Fifth, as directed by the Investor Member to pay any Default Cash Flow Priority (pursuant to Section 5.15(b)) then due, if any.

Sixth, to pay any Tax Equivalency Payments then due.

Seventh, to pay unpaid Development Fee (and interest thereon, if applicable).

Eighth, to the Manager as payment of the Company Management Fee.

Ninth, to HACM, the amount of any unpaid fees, debts, liabilities or loans of HACM (in its capacity as Guarantor, Lender or otherwise), including, without limitation, to pay applicable principal and interest on the HACM Loans in the following order of priority: first to the acquisition loan from HACM, then to the federal funds loan from HACM, and then to all remaining HACM loans.

Tenth, to the Manager to repay any unpaid Operating Deficit Advance, Credit Adjuster Payment, Development Advance, Development Fee Advance and any other unpaid fees, debts, liabilities or loans payable to the Manager.

Eleventh, the balance to the Manager and the Investor Member in accordance with their Percentage Interests.

In addition, Cash Flow shall not be distributed prior to Stabilized Occupancy without the Consent of the Investor Member.

Exhibit A-7

Company Reserves

The Manager shall establish the following reserves in the name of the Company:

(i) *Operating Reserve.* An Operating Reserve of at least [redacted] to be funded on the date of payment of the Fourth Capital Installment into a segregated, interest bearing Company Reserve Account at HCA as required pursuant to the Loan Documents. In addition, the Company shall fund the Operating Reserve from Cash Flow (calculated for this sole purpose prior to deducting contributions to the Operating Reserve) in order to maintain, to the extent possible, a balance at all times in the Operating Reserve of at least [redacted] having that payment priority set forth in Exhibit A-5. The Operating Reserve account instructions shall provide that no withdrawal may be made from the account without the Consent of the Investor Member permitting such withdrawal, and HCA as required pursuant to the Loan documents, which Consents shall not be unreasonably withheld; provided, however, that notwithstanding the foregoing, no Consent of the Investor Member or Special Member shall be required for any withdrawal of funds if the balance of the Operating Reserve following such withdrawal equals or exceeds $204,000, provided further, for any withdrawal request where the Investor Member or Special Member Consent is granted and Lender consent (as required pursuant to the Loan Documents) is not granted, the Manager shall be required to fund all such amounts, which obligation shall not be subject to any caps or limits provided in the Agreement or the Guaranty. In addition, in the event HCA releases funds from the Operating Reserve prior to the expiration of the Compliance Period (other than disbursements to fund Operating Deficits), the Manager shall be required to deposit an equivalent amount of such funds into an Operating Reserve account maintained with the HCA in the name of the Company. Interest earned on the Operating Reserve shall be added to the Operating Reserve. The Manager may use funds in the Operating Reserve (with the Consent of the Special Member, which shall not be unreasonably withheld, conditioned or delayed), for any Company purpose, but only to the extent the revenues of the Company are insufficient to accomplish such purposes; provided, however, that such Consent shall not be required to use funds in the Operating Reserve to the extent of any deficit provided in any annual budget approved by the Special Member. The Operating Reserve shall be maintained throughout the Compliance Period; provided however,

(A) upon the 3 year anniversary of the achievement of Stabilized Occupancy, to the extent the balance in the Operating Reserve exceeds six months of Company Expenses and required debt service on any Loan not subject to available Cash Flow (based on the prior year-end Company audited financials) and the Replacement Reserve is fully funded in accordance with this Exhibit A-7, such excess amount shall be released and used to pay applicable principal and interest on the HACM Loans; and

(B) Beginning with the eleventh (11^{th}) anniversary of the Completion Date and on each anniversary thereafter and only to the extent the Rental Subsidy remains in place for the Company, the balance in the Operating Reserve may, at the option of the Manager and to the extent permitted by each Lender, be reduced annually to the extent the balance therein exceeds the balance provided in the "OR Balance Schedule" below provided that (i) the Manager is not in material default of this Agreement or any Project Document on any such proposed reduction date

(ii) the Project is operating at a projected Debt Service Coverage Ratio of 115% or greater for each year of the Compliance Period utilizing 2% income escalation, 3% expense escalation and 5.47% vacancy rate and (iii) the Replacement Reserve is fully funded in accordance with this Exhibit A-7. Any amounts released pursuant to this (B) shall be applied as Cash Flow and distributed pursuant to Exhibit A-5.

OR Balance Schedule

(1) not less than [redacted] reserve balance upon the 11 year anniversary of the Completion Date;

(2) not less than [redacted] reserve balance upon the 12 year anniversary of the Completion Date;

(3) not less than [redacted] reserve balance upon the 13 year anniversary of the Completion Date;

(4) not less than [redacted] reserve balance upon the 14 year anniversary of the Completion Date; and

(5) $0 reserve balance upon the 15 year anniversary of Completion Date.

(ii) *Replacement Reserve*. A Replacement Reserve to be funded in an amount equal to $300 per Unit per year, payable monthly, in equal monthly installments, beginning on the date required by HCA or the first day of the first month, following the 6-month anniversary of the Completion Date, but in no event later than [redacted] (the ***"Replacement Reserve Commencement Date"***), and shall increase by three percent (3%) on each anniversary of the Replacement Reserve Commencement Date. The Company shall utilize amounts in the Replacement Reserve to fund repairs, capital expenditures and other costs approved by the Investor Member in an Annual Operating Budget, or otherwise approved by the Investor Member in writing. The Replacement Reserve shall be deposited in a segregated interest-bearing account at PNC Bank, National Association unless otherwise required by HCA. The Replacement Reserve account instructions shall provide that no withdrawal may be made from the account without the Consent of the Investor Member, which shall not be unreasonably withheld; provided further, for any withdrawal request where the Investor Member or Special Member Consent is granted and Lender consent (as required pursuant to the Loan Documents) is not granted, the Manager shall be required to fund all such amounts, which obligation shall not be subject to any caps or limits provided in the Agreement or the Guaranty. Interest earned on the Replacement Reserve shall be added to the Replacement Reserve.

(iii) [Reserved].

(iv) *Investment of Reserve Accounts.* Funds in the Company reserve accounts shall be deposited in interest bearing accounts. Investment of funds held in Company Reserves shall be limited to (a) interest bearing accounts; or (b) direct obligations of the U.S. Government (such as U.S. Treasury Bills) where the instrument's maturity does not exceed the lesser of one year or

the time period within which the funds are anticipated to be needed by the Company or other investments approved by the Investor Member in writing.

(iv) *Reserve Account Balances*. Quarterly, and more frequently, if requested by the Investor Member, from time to time, the Manager shall provide bank statements documenting the then current balances in the Reserves.

Exhibit C

AMENDED AND RESTATED DEVELOPMENT SERVICES AGREEMENT

THIS AMENDED AND RESTATED DEVELOPMENT SERVICES AGREEMENT (this ***"Agreement"***), dated and effective as of the [redacted] is made by and between [redacted] a limited liability company formed under the laws of the State of Wisconsin (the ***"Company"*)** and **THE HOUSING AUTHORITY OF THE CITY OF MILWAUKEE**, a public body corporate and politic organized under the laws of the State of Wisconsin (the ***"Developer"*)**.

Recitals

The Company was formed for the purpose of acquiring, owning, developing, constructing, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a residential project anticipated to consist of 60 units located at 5461 N. 64th St. and 5435 N. 64th St., Milwaukee, Wisconsin 53218 known as Westlawn Renaissance Phase IV (the ***"Project"***). The Company is operating pursuant to an Amended and Restated Operating Agreement, dated as of the date hereof (the ***"Operating Agreement"***).

The Developer has provided and the Company desires that the Developer continue to provide services with respect to the development of the Project. This Agreement amends, restates and supersedes in their entirety all prior agreements between the parties respecting these services, including, without limitation, that certain Development Services Agreement previously entered into between the parties, if any.

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

1. **Appointment and Term.** The Company hereby ratifies, confirms and appoints the Developer to render services in overseeing the development of the Project for the Company as herein contemplated and the Developer hereby accepts such appointment.

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

(a) Cause to be prepared such engineering surveys and Plans and Specifications as may be required in connection with the construction of the Project.

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

(c) Make available to the Company upon request copies of all development contracts, financing commitments, surveys, budgets, Plans and Specifications and other development items prepared or obtained.

(d) Prepare and submit to the Company for approval a contract with a qualified construction manager (the "***Construction Manager***") to oversee the construction of the Project on behalf of the Company.

(e) Obtain construction contracts (the ***"Construction Contracts"***); in an amount not to exceed the amount provided therefor in the Projections from reputable general contractors (the ***"Contractors"***), which Construction Contracts shall require the Contractors to post a payment and performance bond in the full amount of their respective Construction Contract or letter of credit in an amount acceptable to the Company and submit same for approval by the Company.

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

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

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

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

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

(v) analysis of requests for any and all change orders to or variations from the Projections and the Plans and Specifications and submission of such requests to the Company for approval.

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

(h) Cause the Project to be completed in a manner consistent with good workmanship, without material defect and in compliance with the following:

(i) the Plans and Specifications;

(ii) all obligations of the Company under any documents executed by the Company pursuant to any loan agreements or documents; and

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

(i) Cause to be maintained builder's risk, contractor's liability, and workers' compensation insurance required by law or by the Operating Agreement.

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

(k) Make available to the Company upon request copies of all contracts and subcontracts with respect to the construction of the Project.

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

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

(a) Twenty percent (20%) was earned for services performed prior to the date hereof.

(b) The balance of the Development Fee shall be earned when the Project is placed in service.

(c) Once a portion of the Development Fee has been earned, it shall be payable by the Company in all events, pursuant to Section 4 below**.**

4. **Development Fee.** For development services to be performed under this Agreement, the Company shall pay the Developer as follows:

(a) A development fee in an amount equal to the greater of: (i) $1,260,000, or (ii) the maximum amount permitted by HCA and approved by Special Member in its reasonable discretion (the ***"Development Fee"***), shall be paid on the date of payment of the Investor Member's First, Second, Fourth, and Fifth Capital Installments as set forth on Exhibit A-l of the Operating Agreement. All of the Development Fee anticipated to be payable pursuant to the foregoing will be payable solely to the extent of Project funds available therefor and not required to pay other unpaid Project costs as established by the approved Project Cost Certification, and after reducing such available Project funds by all Credit Deficiencies and Tax Equivalency Payments then payable (or anticipated to be payable based on anticipated Lease-up Period of the Project), together with interest thereon, if any, and all amounts then deposited or required to be deposited to fully fund the Project Reserves budgeted in the Projections and required pursuant to the Operating

Agreement, with any excess Development Fee payable from Cash Flow as set forth below, or on the 13th anniversary of the Completion Date, if not sooner paid.

(b) All Development Fee not paid as of the Completion Date and which is included in the Project's qualified basis pursuant to Section 42 of the Code, as established by the Cost Certification, in order to achieve 100% of the Tax Credits available to the Project, shall not bear interest (the ***"Tax Credit Basis Development Fee"***).

(c) All Development Fee payable from Cash Flow, together with interest if Tax Credit Basis Development Fee, shall be payable by the Company, from time to time, to the extent of available Cash Flow, having that priority set forth in Exhibit A-5 of the Operating Agreement, and if not sooner paid will be due and payable, together with applicable interest thereon, in all events on the 13th anniversary of the Completion Date.

(d) Each payment, or deemed payment, of a Development Fee amount pursuant to this Agreement or the Operating Agreement, shall be reported as income by the Developer for federal income tax purposes, to the extent such amount was not previously accrued as income, whether or not such amount is reinvested or retained in the Company.

5. **Operating Agreement**. The Developer is the manager of the Company and hereby confirms that it has received a fully signed copy of the Operating Agreement and is familiar with the terms and provisions thereof and agrees to be bound by the terms of the Operating Agreement respecting affiliates.

6. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and permitted assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party. The Developer shall not assign its obligations hereunder, nor assign, pledge or transfer all or any part of its fees or right to fees payable hereunder, without the prior written consent of the Company.

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

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

9. **Defined Terms.** Except as listed below or expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Operating Agreement.

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

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

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

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

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

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

Exhibit D

GUARANTY

THIS GUARANTY (this ***"Guaranty"***), dated and effective as of the [redacted] is made by and between [redacted] a limited liability company formed under the laws of the State of Wisconsin (the ***"Company"***), and the Housing Authority of the City of Milwaukee, a public body corporate and politic organized under the laws of the State of Wisconsin (the ***"Guarantor"***), and [redacted] (the ***"Manager"***), for the benefit of [redacted] a [redacted] limited partnership, and [redacted] an [redacted] corporation (collectively, the ***"Investor Member"***) and to induce the Investor Member to become a member in the Company by entering into that certain Amended and Restated Operating Agreement of the Company, as of even date herewith (the ***"Operating Agreement"***), and performing its obligations hereunder, all of which benefit said Affiliate and the Guarantor.

Recitals

The Company was formed for the purpose of acquiring, owning, developing, constructing, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a residential project in Milwaukee, Wisconsin known as Westlawn Renaissance Phase IV (the ***"Project"***).

The Guarantor agrees to make each and every of the advances, and to guarantee payment and performance of all of the obligations of the Manager, as set forth herein, subject to, and in accordance with, the terms and provisions set forth below.

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

The Guarantor hereby absolutely and unconditionally guarantees payment and performance of all of the duties and obligations of the Manager under the Operating Agreement, including, without limitation, all of the following:

1. **Completion of Development.** The Guarantor hereby guarantees from unrestricted federal funds, the due and punctual payment and performance of all of the obligations set forth in Section 5.9 of the Operating Agreement, free and clear of any liens or claims of liens, in the manner and within the time necessary to comply with all of the terms, covenants and conditions of Section 5.9 of the Operating Agreement and of the applicable provisions of the Project mortgage loans and grants. In furtherance, but not in limitation of Guarantor's obligations hereunder, if Development Proceeds are insufficient to achieve the Development Completion Requirements under said Section 5.9 of the Operating Agreement, if any lien is filed against the Project and/or if any Operating Deficits arise or accrue during the Stabilization Period, Guarantor guarantees the prompt, absolute, and unconditional payment of such sums as are necessary to fully satisfy such obligations and satisfy all other amounts payable pursuant to Section 5.9 of the Operating Agreement. All sums due and payable hereunder by Guarantor shall be

payable to the Company, within five (5) days after notice from the Investor Member (into an account at [redacted] designated in writing by the Investor Member).

2. **Operating Deficit Guaranty.** Subject to the limitation set forth below, the Guarantor hereby guarantees due and punctual payment and performance of all of the obligations set forth in Section 5.10 of the Operating Agreement (as well as obligation to fund certain amounts where Lender does not approve reserve disbursements as provided in Exhibit A-7). In the event that, at any time or from time to time an Operating Deficit exists (as defined in Section 2.1 of the Operating Agreement), the Guarantor shall, from time to time, within five (5) days after Notice thereof by the Investor Member, advance funds to the Company (into an account designated by the Investor Member at PNC Bank, National Association), in the amount of the required Operating Deficit Advance(s), subject to the limitations on Operating Deficit Advances set forth in Section 5.10 of the Operating Agreement.

Limitation on Operating Deficit Guaranty. The obligation of the Guarantor to advance funds to the Company in accordance with this paragraph 2, shall be limited to the maximum amount of [redacted] (except that reserve funding per Exhibit A-7 shall not count toward this cap), which amount shall include any prior Operating Deficit Advances made by the Manager or any other guarantor from and after the end of the Stabilization Period, but shall not include Operating Deficits payable pursuant to Section 1 above or amounts payable pursuant to other sections of this Guaranty, or from Project or Company Reserves, Project revenues or Cash Flow. Notwithstanding the foregoing, there shall be no limitation on the obligations of the Guarantor, in the event of fraud or willful misconduct by the Guarantor, the Manager or by the Management Agent, if the Management Agent is an Affiliate of the Guarantor or the Manager.

3. **Development Fee Guaranty.** The Guarantor hereby guarantees due and punctual payment and performance of all obligations set forth in Section 5.11 of the Operating Agreement. In the event that, at any time or from time to time during the term of this Guaranty, a Development Fee Advance is required, pursuant to Section 5.11 of the Operating Agreement, the Guarantor shall, within five (5) days after Notice thereof by the Investor Member, advance funds to the Company (to an account designated by the Investor Member at PNC Bank, National Association) in an amount equal to the required Development Fee Advance.

4. **Credit Adjuster Guaranty.** The Guarantor hereby guarantees due and punctual payment and performance of all obligations set forth in Section 3.3 of the Operating Agreement. The Credits (and the timing of receipt of such Credits) which are anticipated by the Investor Member as of the date hereof are set forth on Exhibit A-3 of the Operating Agreement and are incorporated herein by this reference. In the event that, at any time or from time to time during the term of this Guaranty, Manager is required to make a Credit Adjuster Payment pursuant to Section 3.3 of the Operating Agreement, the Guarantor shall, within five (5)

days after Notice thereof by the Investor Member, advance funds to the Investor Member (as directed by the Investor Member in writing), in the amount of the required Credit Adjuster Payment.

5. **Additional Guaranties.** The Guarantor hereby guarantees due and punctual payment and performance of all obligations set forth in Sections 5.6, 5.7, 6.2 and 13.3 of the Operating Agreement. In the event that, at any time or from time to time during the term of this Guaranty, the Manager is required to satisfy its indemnification obligations under Sections 5.6, 5.7, 6.2 and/or 13.3 of the Operating Agreement and fails to timely perform and pay such obligations as and when so required, the Guarantor shall, within five (5) days after Notice thereof by the Investor Member, commence to perform such obligations and to advance funds to the Company (to an account designated by the Investor Member at PNC Bank, National Association) in an amount sufficient to satisfy such obligations.

6. **Guaranty of Obligation to Purchase Interest of Investor Member.** The Guarantor hereby guarantees due and punctual payment and performance of all obligations in Section 5.13, Section 14.1, Section 14.3 and/or Section 14.4 of the Operating Agreement. In the event that, at any time or from time to time during the term of this Guaranty, the Manager is obligated pursuant to Section 5.13 of the Operating Agreement to purchase the Investor Member's Interest and fails to purchase such Interest as and when required pursuant to Section 5.13, Section 14.1, Section 14.3 and/or Section 14.4 of the Operating Agreement, the Guarantor shall, within five (5) days after Notice thereof by the Investor Member, advance funds to the Company (as directed by the Investor Member in writing), in the amount required to purchase the Investor Member's Interest, pursuant to said Section 5.13, 14.1, 14.3 and/or 14.4, as applicable.

7. **Payments.** Any amounts paid by Guarantor shall not be refundable to Guarantor but shall be paid in consideration of Investor Member's investment in the Company and in further consideration of the anticipated payments by the Company to the Manager and its Affiliates of fees in connection with development of the Project, all of which benefits Guarantor, and the sufficiency of which is hereby acknowledged by Guarantor.

8. **Representation.**

(a) The Guarantor represents that it will maintain sufficient funds to be able to satisfy its obligations under this Guaranty. Guarantor will provide its annual financial statements to the Investor Member and such related documentation as is set forth in Section 13.3(a)(6) of the Operating Agreement.

(b) The Guarantor (A) is a public body corporate and politic organized under the laws of the State of Wisconsin as a municipal corporation, validly existing and in good standing under the laws of the State of Wisconsin, and (B) has full power to enter into and consummate this Guaranty and all instruments pertaining hereto and to perform all acts related thereto, execution of this Guaranty has been duly authorized by Guarantor

and the person executing this Guaranty on its behalf is duly authorized to do so and to bind the Guarantor. The consummation of all transactions contemplated herein and in the Loan Documents and the Project Documents to be performed by the Guarantor does not and will not result in any breach or violation of, or default under, the organizational documents and authorizing resolutions of the Guarantor or any agreements by which the Guarantor or any of its property is bound, or under any applicable law, administrative regulation, or court decree. The organizational documents and authorizing resolutions of the Guarantor submitted to the Investor Member on or prior to the date hereof are true, correct and complete and have not been amended. The Guarantor will not change its organizational structure and will not make any changes or amendments to its organizational documents and authorizing resolutions which would impair its ability to act as Guarantor in accordance with this Guaranty without the Consent of the Investor Member, provided that the foregoing is not intended to and shall not restrict Guarantor from forming subsidiary entities and engaging in certain operations through such subsidiary entities so long as such activity does not impair the Guarantor's ability to act as Guarantor in accordance with this Guaranty. This Guaranty is enforceable against Guarantor in accordance with its terms.

9. **Intended Beneficiary.** The parties intend that the Investor Member, and its successors and assigns, is a direct beneficiary of this Guaranty and that the Investor Member shall have the right to directly enforce the Guarantor's obligations hereunder. No person other than the Investor Member (and its successors and assigns) and the parties to this Guaranty may directly or indirectly rely upon or enforce the provisions of this Guaranty, whether as a third party beneficiary or otherwise.

10. **Burden and Benefit.** This Guaranty and each covenant and agreement contained herein shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of the Company and the Members thereof and their respective successors and assigns. The Guarantor shall not have the right to assign its obligations hereunder without the Consent of the Investor Member.

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

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

13. **Defined Terms.** Terms used in this Guaranty with initial capital letters and not otherwise defined in the Operating Agreement shall have the meanings set forth herein. The Guarantor hereby confirms that it has received a fully executed copy of the Operating Agreement and is familiar with the terms and provisions thereof.

Further, the Guarantor agrees to be bound by all of the requirements respecting Affiliates of the Manager set forth in the Operating Agreement, and to timely provide to the Investor Member copies of their financial statements and tax returns required pursuant to Sections 13.3(a)(6) and (7) of the Operating Agreement.

14. **Governing Law**. This Guaranty shall be construed and enforced in accordance with the laws of the State of Wisconsin, without regard to principles of conflicts of laws, and cannot be modified, amended or terminated orally.

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

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

17. **Counterparts.** This Guaranty 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.

18. **Payment and Performance Guaranty.** Guarantor hereby agrees that this is a Guaranty of payment and performance, not collection, and that this Guaranty is an unconditional, irrevocable primary guaranty and may be enforced by any of the Company, its Members or Investor Member directly against Guarantor without first resorting to or exhausting any other right or remedy; provided, however, that nothing herein contained shall prevent the Company or any Member from suing to enforce the provisions of the Operating Agreement or from exercising any rights thereunder. Guarantor further covenants that this Guaranty shall remain and continue in full force and effect, notwithstanding any assignment, modification, extension, compromise or renewal of the Loan Documents, the Project Documents or the release or exchange of any real or personal property or other collateral security for any of the Loans, and notwithstanding any amendment or modification of the Operating Agreement or transfer of the Interest of any Member thereunder, and that indulgences or forbearance may be granted under any or all of such documents, all of which may be made, done, or suffered without notice to or further consent of the Guarantor. Guarantor agrees and confirms that its liability hereunder shall not be affected, impaired, or reduced in any way by any action taken under the foregoing provisions, or any other provisions hereof, or by any delay, failure or refusal of the Company or any Member to exercise any right or remedy it may have against the Manager or any other person, firm or corporation, including other guarantors, if any, liable for all or any part of the obligations guaranteed hereby.

19. **Joint and Several.** The obligations under the term of this Guaranty are joint and several obligations of the Guarantor.

20. **No Discharge.** The Guarantor acknowledges that all of its obligations under this Guaranty are primary, absolute, irrevocable and unconditional and that its liability shall not be limited or affected by any release or discharge of the Manager or any other guarantor, whether by operation of law or otherwise, by withdrawal or removal of the Manager as a member in the Company or by any other legal or factual matter, unless and until all guarantied obligations have been paid and performed in full, regardless of whether or not Notice has then been given to the Guarantor. In amplification, and not in limitation, of the provisions set forth above, the Guarantor hereby waives and agrees not to assert or take advantage of:

(a) any right to require the Manager to proceed against any other person or to proceed against or exhaust any security held by the Manager at any time or to pursue any other remedy in the Manager's power before proceeding against the Guarantor;

(b) any right to require the Company or any Member to proceed against the Manager or any other person or to proceed against or exhaust any security held by the Company or any Member at any time or to pursue any other remedy in the power of the Company or any Member before proceeding against any one or more Guarantors hereunder;

(c) the defense of the statute of limitations in any action hereunder or in any action for the collection or the performance of any obligations guaranteed hereby;

(d) any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of the Company or any Member to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;

(e) any defense based upon an election of remedies by the Company or any Member, or the right of Guarantors to proceed against the Company or any Member; and

(f) any duty or obligation on the part of the Company or any Member to perfect, protect, not impair, retain or enforce any security for the payment of the obligations guaranteed hereby.

21. **Notice.** Notice to the parties hereto shall be given in the manner and (where applicable) to the addresses specified in Exhibit A-6 of the Operating Agreement, as the same may be amended from time to time by Notice to the parties hereto. Notices to the Company shall be sent in care of the Manager of the Company, with a copy sent simultaneously to the Investor Member. Notices to Guarantor shall be sent to:

Housing Authority of the City of Milwaukee
809 North Broadway
Milwaukee, Wisconsin 53202
Attn.: Antonio M. Perez
Phone: (414) 286-5678

22. **Collection.** Guarantor agrees that, in the event this Guaranty is placed in the hands of an attorney for enforcement following notice of demand for payment as required herein, Guarantor will reimburse the Company and/or the Member seeking such enforcement for all expenses incurred in enforcing this Guaranty, including, without limitation, reasonable attorneys' fees and expenses (whether or not suit is brought hereon) and all such expenses incurred in connection with any trial, appeal, arbitration or bankruptcy proceedings. All amounts which are not timely paid by Guarantor shall bear interest from and after the date due until paid at two percent (2%) in excess of the from time to time prime rate of interest as published in the Wall Street Journal.

23. **Defenses Not Valid.** Guarantor further agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected, or impaired (a) by reason of the assertion by the Company or any Member thereof of any rights or remedies under or with respect to the Operating Agreement, or any other instruments executed in connection therewith, against any Person obligated thereunder, (b) by reason of any failure to exercise, or delay in exercising, any such right or remedy or any right or remedy hereunder or in respect to this Guaranty, or (c) by reason of the adjudication in bankruptcy of this Guaranty or any guarantor hereunder, any Person obligated under the Operating Agreement, or the filing of a petition for any relief under any federal, state, or local bankruptcy law by any such Person.

24. **Continuing Guaranty.** It is expressly understood and agreed that this is a primary, continuing guaranty and that the obligations of Guarantor hereunder are and shall be absolute under any and all circumstances, without regard to the validity, regularity or enforceability of the Operating Agreement, any other instruments executed in connection therewith or otherwise in connection with the Project.

25. **Certain Waivers.** To the extent permitted by law, Guarantor hereby waives notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest and any and all notices of nonpayment, non-performance, non-observance, and all other notices of any kind, and other proof, and notice of demand, and Guarantor hereby waives all suretyship defenses and defenses in the nature thereof.

26. **Default.** If Guarantor shall fail or refuse to perform or continue performance of any or all of Guarantor's obligations under this Guaranty, then the Company and/or any Member thereof may, at their sole, respective options, have the right to take all necessary action to cause payment or performance of any obligation(s) guaranteed hereunder to be performed and/or paid and to take any other actions necessary or advisable to cure the Guarantor's default hereunder, either before or after the exercise of any other remedy. The amounts of any and all expenditures and advances so made by the Company or any Member shall be due and payable by Guarantor immediately upon the incurrence or advancement thereof and, if not then paid, shall bear interest at two percent (2%) above the from time to time

prime rate of interest as published in the Wall Street Journal and shall be an additional amount guaranteed hereunder.

Guarantor agrees that Guarantor shall have no right of subrogation against the Manager or any right of contribution against any other guarantor unless and until all amounts due under the Operating Agreement have been paid in full and all of the Manager's other obligations under the Operating Agreement have been satisfied. Guarantor further agrees that, to the extent the waiver of Guarantor's rights of subrogation and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation Guarantor may have against the Manager shall be junior and subordinate to any rights the Investor Member may have against the Manager, and any rights of contribution Guarantor may have against any other guarantor shall be junior and subordinate to any rights the Investor Member may have against such other guarantor.

Notwithstanding any provision in this Guaranty, any obligation of the Guarantor shall be without recourse to funds or assets not available for such purpose under federal or state law. Without limitation of the foregoing, the undersigned acknowledge that, except as otherwise authorized pursuant to each of the Guarantor's Annual Contributions Contract(s) with HUD (each an "***ACC***"), as amended, the Guarantor may not transfer, convey, assign, lease, mortgage, pledge or otherwise encumber, and the undersigned shall have no recourse against (a) any "project", as such term is defined in the ACC, (b) any operating receipts of the Guarantor (as the term "operating receipts" is defined in the ACC) that are subject to the ACC, (c) any public housing operating reserve of the Guarantor reflected in the Guarantor's annual operating budget and required under the ACC, or (d) any other funds appropriated under the United States Housing Act of 1937, as amended, 42 U.S.C. §1437 *et seq.*, and not authorized by law to be used for this purpose. The Company and the Investor Member acknowledge that this paragraph is being agreed to as an inducement for the Guarantor to enter into the Guaranty and that the Guarantor shall be a third party beneficiary of this paragraph and as such may enforce the limitations of this paragraph directly.

27. **Limitation**. Notwithstanding anything to the contrary contained herein, upon the achievement of Stabilized Occupancy, the aggregate obligations of the Guarantor hereunder shall be limited to $630,000. The limitation in this Section 27 shall not apply to any obligations owed pursuant to Section 1 and Section 6 herein and to any obligations pursuant to Section 3.3(f) of the Operating Agreement.

28. **Net Worth and Liquidity**. Guarantor agrees the Manager and Guarantor collectively have and shall maintain an aggregate net worth exclusive of the Manager's interest in the Company or any sums owed to the Manager or Guarantor by the Company equal to at least $5,000,000, of which at least $1,000,000 shall be liquid assets throughout the Operating Deficit Guaranty period.

Exhibit G

INSURANCE REQUIREMENTS CHECKLIST

Operating Agreement Insurance Requirements

TABLE A				
Insurance During Construction				
Required	**Insurance**	**Section**	**Maximum Deductible**	**Minimum Coverage**
Yes	Owner's Commercial General Liability	B.1	$25,000	$1 million per occurrence/$2 million aggregate.
Yes	Owner's Excess/Umbrella Liability	B.1	$25,000	**$5,000,000**
No	Environmental Liability	B.1	$25,000	N/A
Yes	Special Form Builder's Risk Insurance	B.2	$25,000	**$11,425,467**
Yes	General Contractor's General Liability and Excess/Umbrella Liability[1]	B.3.A	$25,000	$5 million combined single limits (per occurrence/per project aggregate)
No	General Contractor's Pollution/Environmental Coverage	B.3.B	$25,000	$1 million combined single limits (per occurrence/per project aggregate)
Yes	General Contractor's Automobile Liability	B.3.C	$25,000	$1 million combined single limits per occurrence
Yes	General Contractor's Workers' Compensation and Employer's Liability	B.3.D	N/A	Statutory Limits
Yes	**[Payment and Performance Bonds/ Letter of Credit/ Major Subcontractor Bonds]**	B.3.E	N/A	**$11,425,467**
Yes	Construction Manager's Commercial General Liability	B.4	$25,000	$500,000 combined single limits (per occurrence/per project aggregate)
Yes	Construction Manager's Automobile Liability	B.4	$25,000	$500,000 combined single limits per occurrence
No	Property Manager's Worker's Compensation	B.5	N/A	Statutory Limits
No	Property Manager's Automobile Liability	B.5	$25,000	$1 million combined single limits per occurrence
No	Property Manager's General Liability	B.5	$25,000	$1million per occurrence/ $2 million aggregate
No	Property Manager's Umbrella Liability	B.5	$25,000	$5,000,000
No	Property Manager's Crime/Fidelity Bond	B.5	$25,000	$1,000,000
Yes	Architect's/Surveyor/Engineer's Professional Liability (Errors and Omissions)[2] – General Liability	B.6	$25,000	**$1,000,000**

[1] Required for the General Contractor and each prime contractor having a direct contract with the Partnership.
[2] Required for each professional entity.

Insurance Obtained Upon Completion (or on Existing Buildings) and Maintained Thereafter				
Yes	General Contractor's Commercial General Liability/Umbrella including Products and Completed Operations – continued 3 years post construction	C.1	$25,000	N/A
No	Architect's/Surveyor's/Engineer's Professional Liability (Errors and Omissions)	C.2	$25,000	**$1,000,000**
Yes	Owner's Commercial General Liability	C.3	$25,000	$1 million per occurrence/$2 million aggregate
Yes	Owner's Excess/Umbrella Liability	C.3	$25,000	**$5,000,000**
Yes	Property (Special Cause of Loss Form)	C.4	$25,000	100% replacement cost/insurance to value of the Project
Yes	Business Interruption	C.5	Maximum of 72 hours	12 months rents
Yes	Wind / Hail	C.6	3% of insured value per buildings	100% replacement cost/insurance to value of the Project
No	Named Storm (if excluded from Wind coverage)	C.6	3% of insured value per buildings	100% replacement cost/insurance to value of the Project
No	Flood	C.7	2% of total insured value per building	100% replacement cost/insurance to value of the Project plus 12 months Business Interruption coverage
No	Earthquake	C.8	10% of total insured value	100% replacement cost/insurance to value of the Project, plus Business Interruption coverage
No	Ordinance and Law Coverage	C.9	$25,000	100% replacement cost/insurance to value of the Project
Yes	Owner's Equipment Breakdown/Boiler and Machinery	C.11	$25,000	100% replacement cost/insurance to value of the Project
Yes	Property Manager's Worker's Compensation	C.12	N/A	Statutory Limits
Yes	Property Manager's Automobile Liability	C.12	$25,000	$1 million combined single limits per occurrence
Yes	Property Manager's General Liability	C.12	$25,000	$1million per occurrence/ $2 million aggregate
Yes	Property Manager's Excess/Umbrella Liability	C.12	$25,000	$5,000,000
Yes	Property Manager's Crime/Fidelity Bond	C.12	N/A	$1,000,000
[Yes/No]	**[Other insurance as needed]**	C.13	**[$xx,xxx]**	**[$AMOUNT]**

A. General Requirements

All policies or documents evidencing the required insurance shall:

1. Be provided at least ten (10) days prior to equity closing to ensure adequate lead time for PNC to engage its consultant and receive its Final Insurance Due Diligence Report prior to closing; updates must be provided as required for each capital contribution.
2. Be maintained throughout the term of the loan(s) and the term of ownership for all borrowers/owners/investment partners.
3. Clearly identify the property location or description on each certificate.
4. Be provided in the following form, with all forms and endorsements noted:
   Accord 25 - Ink-signed Certificate of Liability Insurance
   Accord 28 (2003/10 edition) - Ink-signed Evidence of Property Insurance
   A full copy of the policy when available
5. Name the Operating Partnership as the First Named Insured on each policy provided by the Owner, or on behalf of the Owner, and name the following entities as Additional Insureds on <u>all</u> policies required of any party under these guidelines (with the exception of auto liability, professional liability (E&O) and Workers' Compensation):
   ILPs and their successors and assigns,
   SLPs and their successors and assigns and
   All Additional Investors (the equity providers)
6. All liability insurance policies provided by parties other than the Owner shall name the Partnership and/or the entities that comprise it as Additional Insureds. Professional liability coverage shall indicate the Partnership as certificate holder
7. Binders may be accepted for a 30-day period only.
   Continuous binders are acceptable if issued by the insurance company's underwriter. Continuous binders must be replaced with certificates or policies within 30 days of receipt.
   Facsimile copies are acceptable as temporary evidence of coverage. Hard copies must be promptly delivered to confirm evidence.
8. Be issued/written by insurance carrier or carriers acceptable to the lender and investor and having:
   A rating of A: Class VII or better (a couple of investors require A-IX or better) by A.M. Best's Key Rating guide (*note:* the insurance company's NAIC number is needed in addition to their name), <u>or</u>

A rating of"A" or higher from Standard & Poor's.

9. Be written on a per occurrence basis (except for professional liability coverage and Environmental Impairment Liability including contractor's pollution legal liability insurance coverage, which may be written on a claims- made basis).
10. Have a cancellation provision requiring the carrier to notify the parties (Partnerships, GP, ILP, SLP, Lenders and equity providers) at least thirty (30) days in advance, (10) days for nonpayment of premium, of any policy reduction, cancellation, premiums due, any lapse expiration, material change, amendment or non-renewal intent. Notice should be advance *written* notice via certified mail return receipt requested.
11. Be written for a term of not less than one year, with premiums prepaid and evidence of premium payment accompanying the binders and policies.

The following requirements apply to Property policies:

12. Name the Lender and its successors and assigns (collectively, the Lender) as Mortgagee and Loss Payee.
13. Name the SLP and its successors and assigns as Loss Payee.
14. Contain a deductible or self insured retention (**SIR**) not greater than $10,000, unless a higher deductible is specified in Table A (except when a separate wind-loss deductible applies, then the amount must not exceed 3% of the face amount of the policy).
15. Builders Risk policies must be on a non-reporting basis.
16. Not contain any effective co-insurance provisions.
17. Not use a blanket or package policy unless it provides the same or better coverage as a single property insurance policy, and:
    All other projects must be listed and identifiable in the policy and associated schedules. Note: The Declaration page listing each appropriate Endorsement /Form and copies of each Form will be accepted as evidence.
    Total coverage must be based on 100% replacement value of all properties covered. <u>Coverage limits other than replacement cost are generally not acceptable and any variations from an amount less than replacement cost must be pre approved by the SLP.</u>

B. Insurance to be Maintained During Construction

The following coverages must be maintained on all properties, on a per project basis, during construction and until permanent insurance is placed, and are required by all investors (unless otherwise noted in Table A) with specific coverage amounts specified in Table A.

1. **Owner's Commercial General Liability and Excess/Umbrella Liability Insurance:** General Partner shall carry, for the benefit of the Partnership and General Partner, covering the premises and operations by independent contractors, Commercial General Liability Insurance of the real estate development class against claims for bodily injury, personal injury and products and completed operations.

   Form should remain silent on assault & battery, sexual assault and punitive damages (no exclusions or limitations).

   Environmental Liability Insurance will be required for existing Apartment Complexes that are being substantially rehabilitated.

   The minimum amount of primary coverage is **$1** million per occurrence / $2 million general aggregate and contain a deductible no greater than $10,000, unless a higher deductible is specified in Table A.

   The minimum Umbrella/Excess Liability Insurance ranges from **$4** million per occurrence and $4 million general aggregate to $30 million per occurrence and $30 million general aggregate (depending on investor and the guidelines shown below):

   Garden Apts 1-3 stories, SF, & other non-elevator buildings:
   < 50 Units: $4 million as noted above
   51 - 300 Units: $5 million
   > 300 Units: $5 -$10 million, depending on location/conditions

   Mid-rise Apartment Building (4-10 stories):
   < 50 Units: $5 million as noted above
   51 - 300 Units: $5 -$10 million , depending on location/etc.
   > 300 Units: $10 -$20 million, depending on location/conditions

   High-rise Apartment Building (11-40 stories):
   1 - 300 Units: $10 -$30 million , depending on location/conditions
   > 300 Units: $30 million and above, depending on location/etc.

2. **All-Risk Builder's Risk Insurance:** Insurance providing 100% replacement cost coverage (including a 5% contingency), in an amount equal to the completed construction value plus personal property and shall include coverage for Soft Costs including 12 months Business Interruption (Loss of Rents) or actual loss sustained, loan interest, real estate taxes, architect's & engineer's fees, legal & accounting fees, insurance premiums, and advertising and promotional expenses. Additional coverage requirements are as follows:

   If any of the units will be turned over and occupied prior to completion, policy shall include a Permission for Partial Occupancy Endorsement.

   No coinsurance or coinsurance offset by an Agreed Amount Endorsement Ordinance & Law Coverage (See **Section C.** for coverage requirements).

   The maximum deductible is $10,000 per occurrence, unless a higher deductible is specified in Table A. Windstorm, earthquake, and flood exclusions are generally acceptable exclusions provided that a separate policy is obtained for these risks. See **Section C.** for details regarding coverage requirements for these separate perils.

3. **General Contractor's General Liability and Excess/Umbrella Liability Insurance:** The General Contractor shall provide the following insurance coverages:

   A) **Commercial General Liability Insurance:** The General Contractor (and each prime contractor having a direct contract with the Partnership) shall provide Commercial General Liability Insurance covering claims for bodily injury, property damage and personal injury arising out of the Contractor's operations, independent contractors, and products/completed operations.

   Coverage limits of the construction exposure class shall be in an amount not less than $5 million combined single limits (per occurrence / per project aggregate). This requirement can be met through any combination of primary and excess insurance, such as the standard $1 million/ $2 million primary with $4 million/ $4 million umbrella. If the primary coverage applies to other locations or activities, then the primary aggregate must apply to each insured location separately.

$1 million per occurrence /$2 million general aggregate shall be required for prime contractors other than the GC. If the primary coverage applies to other locations or activities, then the primary general aggregate must apply to each insured project separately.

B) **Pollution/Environmental Coverage Insurance:** Providing defense and indemnity coverage for bodily injury, property damage and environmental investigation and clean-up costs for pollution conditions. Coverage limits of the construction exposure class shall be in an amount not less than $1 million combined single limits (per occurrence/per location and in the aggregate).

C) **Automobile Liability Insurance:** Commercial Automobile Liability with coverage for owned, hired, and non-owned autos with no less than $1 million combined single limit per occurrence.

D) **Workers' compensation and Employers' Liability Insurance:** Coverage shall be in statutory amounts with Employers Liability limits of $1 million bodily injury by accident for each accident, bodily injury by disease for each employee and policy limit for bodily injury by disease ($500,000 fallback).

E) **Payment and Performance Bonds:** The Construction Contract must be secured by one of the following:

A letter of credit in an amount not less than fifteen (15%) of the Construction Contract amount, or 100% payment and performance bonds in a form and substance acceptable to the SLP, or

Each major subcontractor, as identified by the SLP, being bonded in a form and substance acceptable to the SLP.

4. **Construction Manager's Commercial General Liability Insurance (If applicable):** If a construction manager is utilized, Commercial General Liability Insurance is to be and the amount of coverage shall be no less than $500,000 combined single limits. $500,000 combined single limits Automobile Liability (including coverage for liability assumed under contract), statutory Workers' Compensation and $500,000 Employers' Liability shall also be maintained.
5. **Architect's & Engineer's Professional Liability/ Errors & Omissions Insurance:** Professional Liability (E & 0) Insurance shall be provided covering each professional entity for the greater of $500,000 or 10% of the construction contract amount each claim and in the aggregate ($1 million or 10% for high-rises), in a form satisfactory to the Investor. Coverage shall remain in effect for three years from acceptance of the Project by Owner.

   Comprehensive General Liability insurance with a minimum of $500,000 in combined single limits shall be provided.

C. **Insurance to be Obtained Upon Completion (or on Existing Buildings) & Maintained Thereafter**

Commencing from the earliest of (i) Receipt of final Certificates of Occupancy for all buildings in the Property (to the extent required), (ii) Final Construction Completion or (iii) the lapse in Builders Risk Coverage; and continuing until no longer required by the SLP, the Partnership shall maintain the following insurance coverage:

1. **General Contractor's Commercial General Liability Insurance:** General Contractor must continue to carry Products and Completed Operations insurance for a minimum of three (3) years following completion of construction.
2. **Architect's & Engineer's Professional Liability/ Errors & Omissions Insurance:** Each entity must continue to carry the same Professional Liability insurance coverage as required in B.6 for a minimum of three (3) years following completion of construction.
3. **Owner's Commercial General Liability Insurance:** The General Partner shall cause the Partnership to continue to carry the same insurance coverages as required in B. l with the following additional loss control requirement to be implemented:

   Contains a deductible ofno greater than $10,000 unless a higher deductible is specified in Table A.
4. **Property {Special Cause of Loss Form) Insurance:** Insurance on the project covering risks of direct physical loss.

   Such insurance shall be in an amount equal to 100% replacement value of the property. The policy shall provide Replacement Cost coverage.

   The policy shall include an Agreed Amount Clause or Waiver of Coinsurance.

   The maximum deductible is $10,000 per occurrence unless a higher deductible is specified in Table A (except when a separate wind-loss deductible applies, then the amount must not exceed 3% of the face amount of the policy).
5. **Business Interruption Insurance** - Loss of income insurance shall be carried in an amount equal to 12 months anticipated gross rental income from tenant occupancy (including any commercial portion) of the property plus Tax Credit.
6. **Windstorm Coverage** - If the Special Causes of Loss Form property damage insurance excludes wind-related events, a separate windstorm insurance policy shall be obtained for 100% replacement cost of the property. The policy must include business interruption. The maximum deductible is 3%.
7. **Flood** - PNC Real Estate requires flood insurance if any property is, or planned to be located, in a Special Flood Hazard Area designated by FEMA as Zone A or V in an amount equal to the full replacement cost and 12 months Business Income coverage. The maximum deductible is 2% of the total insured value per building. If this coverage

amount is more than the maximum amount of insurance available under the National Flood Insurance Program, an excess flood or difference in conditions policy may be required for the difference.

8. **Earthquake** - Where the Property is located in an area prone to seismic activity (zones 3 & 4) and has a PML greater than 20%, earthquake insurance is required for the life of the investment. Coverage must equal 100% of the full replacement cost, include Business Interruption, and have a maximum deductible of 5%-10% of the total insured value.
9. **Ordinance and Law Coverage** - Where the Property represents an non-conforming use under current building, zoning, or land use laws or ordinances, insurance shall be obtained in the following amounts: * Loss of Undamaged Portion of the Building - Full replacement cost of the structure minus the local threshold; * Demolition Cost - Minimum of 10% of replacement cost; and * Increased Cost of construction - Minimum of 10% of the replacement cost.
10. **Extended Period of Indemnity** - Business Interruption (Loss of Rents) coverage shall be extended for a minimum of three months after property is ready for occupancy following a casualty.
11. **Owner's Boiler & Machinery Insurance:** Required where any centralized HYAC equipment is in operation at the Property or where the Property contains boilers or other pressure-fired vessels that are required to be regulated by the State as follows:

    Boiler and Machinery Insurance shall be required for the full replacement cost of the building that houses the equipment.

    Coverage against loss or damage from steam boiler explosion, electrical breakdown or mechanical breakdown which can include refrigeration equipment, air conditioning equipment, various types of piping, turbines, engine's pumps, compressors, electric motors, transformers and other assorted types of apparatus now or hereafter installed on the Property.

    Coverage shall be extended to include Business Income.

    Deductibles must be equal or lower than the deductibles on the Property Insurance Policy
12. **Property Manager's Insurance Requirements:** Project Manager (i.e., the property management company) shall maintain and provide evidence of insurance for the following:

    Worker's Compensation Coverage pursuant to statutory limits required by law.

    Automobile Liability Coverage covering owned, hired and non-owned auto for limits no less than $!MM combined single limited per occurrence for bodily injury, property damage and physical damage (collision and comprehensive).

    Fidelity Bond in an amount equivalent to the lesser of$! million or six month's gross income.
13. **Other Insurance (as needed):**- Such other insurance in such amounts, and with such companies as the SLP may require, including but not limited to, insurance coverage covering wind, mudslide (as needed), acts of terrorism, toxic mold, fungus, moisture, microbial contamination, pathogenic organisms or covering other parties such as the Project Architect, the Builder, any other prime contractors, the construction manager, if applicable, and the Project Manager to the extent such insurance can be acquired on a commercially reasonable basis in the sole discretion of the SLP.