LOAN AGREEMENT
GENERAL FUND

THIS LOAN AGREEMENT is made between the **CITY AND COUNTY OF DENVER**, a municipal corporation organized pursuant to the Constitution of the State of Colorado ("City"), and **TAMMEN HALL APARTMENTS LLC**, a Colorado limited liability company, whose address is 1936 W. 33rd Avenue, Denver, Colorado 80211 ("Borrower" or "Contractor").

WITNESSETH:

WHEREAS, the City is making certain monies available to ensure the development of an affordable housing project (the "Project"); and

WHEREAS, the Borrower is eligible to receive funds from the City, and is ready, willing and able to meet the conditions associated therewith;

WHEREAS, the Borrower is developing the Project on the Property (as defined below);

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties agree as follows:

1. LOAN TO BORROWER: Subject to the terms of this Loan Agreement, the City agrees to lend Borrower the sum of Seven Hundred Thirty-Five Thousand and No/100 Dollars ($735,000.00), to be repaid over a term of approximately forty (40) years with interest at the rate of one percent (1.00%) per annum. Borrower shall execute a promissory note in a form satisfactory to City evidencing this loan (the "Promissory Note"). Principal and interest shall be due and payable, at such place as may be designated by City, in annual installments of Cash Flow (as defined below), commencing on July 1, 2020 and due upon the first day of each July thereafter. Cash Flow shall be distributed to the City in accordance with the First Amended and Restated Operating Agreement of Tammen Hall Apartments LLC, as amended by that First Amendment to First Amended and Restated Operating Agreement of Tammen Hall Apartments LLC (together, the "Operating Agreement"), attached hereto as **Exhibit A**. Total payments to the City for each year of interest and principal on the Promissory Note shall not exceed Thirty Three Thousand Eight Hundred Forty Two and No/100 Dollars ($33,842.00) in any given year. Borrower shall send annual audited financial statements to the City to verify Borrower's Cash Flow calculation. The entire unpaid balance of principal and accrued interest due shall become

payable on July 1, 2060, if not sooner paid. No interest shall accrue on the loan through December 31, 2019. Commencing on January 1, 2020, interest shall accrue at the rate of one percent (1%) per annum. Cash Flow shall have the meaning as set forth in the Operating Agreement.

2. SECURITY: Repayment of the Promissory Note shall be secured by a Deed of Trust, in form satisfactory to City, granted by Borrower and encumbering Borrower's leasehold interest in the Property and Borrower's ownership interest in the building and any other improvements constructed on the Property (the "Deed of Trust") known and numbered as 1010 East 19th Avenue, Denver, Colorado (the "Property") subject to prior encumbrances not exceeding Fourteen Million and No/100 Dollars ($14,000,000.00) in principal amount.

3. SUBORDINATION AND ADDITIONAL DOCUMENTS: The Executive Director (the "Executive Director") of the City's Office of Economic Development ("OED"), or permitted designee, is authorized to execute documents necessary to subordinate the lien of the City's Deed of Trust so long as (i) such documents are in form satisfactory to the City Attorney; (ii) encumbrances prior to the City's Deed of Trust do not exceed $14,000,000; and (iii) Borrower is not then in default of its obligations pursuant to this Loan Agreement, the Promissory Note, the Covenant (defined below) or the Deed of Trust.

The Director of OED or permitted designee, is authorized to execute documents necessary to subordinate the lien of the City's Covenant to a land use restriction agreement so long as (i) encumbrances prior to the City's Deed of Trust do not exceed $14,000,000; and (ii) Borrower is not then in default of its obligations pursuant to this Loan Agreement, the Promissory Note, the Covenant, or the Deed of Trust.

4. USE AND DISBURSEMENT OF FUNDS: Loan proceeds will be used to finance hard and soft construction and rehabilitation costs associated with development of the Property for the Project, in accordance with **Exhibit B**, attached hereto and incorporated herein. No funds will be disbursed until Borrower has complied with all applicable federal environmental and historic preservation clearances as certified by OED in writing. The Borrower shall submit to the City requisitions with documentation of incurred costs on OED approved forms, and otherwise comply with the financial administration requirements set forth in **Exhibit C** attached hereto and incorporated herein. Where the City's funds are disbursed for construction, (i) the City shall monitor the construction activities for the purpose of verifying

eligible costs, and (ii) the City shall retain ten percent (10%) of each disbursement of funds, which retainage shall be released upon final inspection and approval of the City and receipt of proof of release of liens from all applicable contractors, subcontractors, and suppliers. In addition, OED shall retain Fifteen Thousand and 00/100 Dollars ($15,000.00) of the total funds to be disbursed under this Loan Agreement, which retainage shall be released upon receipt from Borrower of all information necessary for the City's reporting requirements and upon satisfactory performance during final inspection. The City's disbursement of funds is subject to availability of funds through its Cash Management System. These budget items may be revised with the written approval of OED, provided the revised budget does not exceed the amount of the loan. Expenses incurred prior to September 15, 2017 are not eligible for reimbursement.

5. DEADLINE FOR DISBURSEMENT OF FUNDS: Borrower must provide evidence of private funding commitments necessary to develop the affordable housing project on the Property and the final executed partnership agreement for the Project on or before July 31, 2018. Failure to meet this deadline may, at the discretion of the Office of Economic Development, result in the termination of this Loan Agreement. No funds shall be disbursed under this Loan Agreement until such time as these conditions are met. Further, all cost overruns and/or funding shortfalls shall be the sole responsibility of the Borrower.

Borrower further agrees that (a) documentation for all draw down requests will be submitted no later than thirty-six (36) months after the date of the Promissory Note and (b) Borrower shall complete the Project within a twenty-four (24) month period after the date of the Promissory Note. This timeline includes requests for disbursement of the Fifteen Thousand and No/100 Dollars ($15,000.00) retainage set forth in Section 4, above.

These deadlines may be extended with the written approval of OED.

6. RESTRICTIONS ON USE OF PROPERTY:

A. Affordability limitations. Forty-nine (49) of the units at the Property (the "City Units") shall have rents not exceeding the lesser of (i) fair market rent for comparable units in the area as published by the Colorado Housing and Finance Authority ("CHFA"), or (ii) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 60% of the median income for the Denver area, as published by CHFA, with adjustments for number of bedrooms in the unit. By executing this Loan Agreement, Borrower acknowledges receipt of CHFA's current rent guidelines from the OED. It shall be Borrower's responsibility to obtain

updated guidelines from OED or CHFA to confirm the annual calculation of the maximum rents for the Denver area.

The City shall determine maximum monthly allowances for utilities and services annually using the model as published by the Housing Authority of the City and County of Denver. Rents shall not exceed the maximum rents as determined above minus the monthly allowance for utilities and services.

The City shall review rents for compliance within ninety (90) days after OED requests rent information from the Borrower.

B. Occupancy/Income Limitations. The City Units shall be occupied by tenants whose incomes are at or below sixty percent (60%) of the median income for the Denver area as published by CHFA. By executing this Loan Agreement, Borrower acknowledges receipt of CHFA's current income guidelines from OED. It shall be Borrower's responsibility to obtain updated guidelines from OED or CHFA, and comply with same.

C. Designation of Units. All of the City Units are fixed, and are designated as follows:

BEDROOMS	**City Units**
1 Bedroom	43
2 Bedroom	6
TOTAL	49

D. Covenant Running with the Land. At closing, Borrower shall execute a covenant in form satisfactory to the City ("Covenant"), setting forth the rental and occupancy limitations described in subparagraphs A and B above, which shall be recorded in the real estate records of the City and County of Denver and which shall constitute a covenant running with the land. The Covenant shall encumber the Property for a period not less than forty (40) years from the date of the Covenant. Violation of said Covenant shall be enforceable as an event of default pursuant hereto.

7. LEASES: Borrower shall enter into a written lease with the tenants of the City Units for a period of not less than one year, unless by mutual agreement between the tenant and the Borrower a shorter period is specified.

8. PROHIBITED LEASE TERMS: Leases or other instruments pursuant to which City Units are occupied may not contain any of the following provisions:

A. Agreement to Be Sued. Agreement by the tenant to be sued, admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.

B. Treatment of Property. Agreement by the tenant that the owner may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. However, the owner may dispose of personal property remaining in the unit after the tenant has moved out, in accordance with Colorado law.

C. Excusing Owner from Responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for actions or failure to act, whether intentional or negligent.

D. Waiver of Notice. Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.

E. Waiver of Legal Proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

F. Waiver of Jury Trial. Agreement by the tenant to waive any right to a trial by jury.

G. Waiver of Right to Appeal. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge a court decision in connection with the lease.

H. Tenant Chargeable with Cost of Legal Actions Regardless of Outcome. Agreement by tenant to pay attorney fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant.

I. Mandatory Supportive Services. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

9. PROHIBITION OF CERTAIN FEES: Borrower is prohibited from charging fees that are not customarily charged in rental housing (e.g. laundry room access fees), except that Borrower may charge the following: reasonable application fees to prospective tenants; parking fees to tenants only if such fees are customary for rental housing projects in the neighborhood, and; fees for services such as bus transportation or meals, as long as the services

are voluntary and fees are charged for services provided.

10. **TERMINATION OF TENANCY**: Borrower may not terminate the tenancy or refuse to renew the lease of a tenant of any of the City Units except for serious or repeated violations of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws; or for other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) days by Borrower's service upon the tenant of a written notice specifying the grounds for the action.

11. **MAINTENANCE AND REPLACEMENT**: Borrower shall maintain the Property in compliance with all applicable housing quality standards and local code requirements. Newly constructed or substantially rehabilitated housing must meet applicable requirements referenced at 24 C.F.R. 92.251.

12. **MONITORING**: Borrower shall fully cooperate with City in annual monitoring of Borrower's performance and on-site inspections every three years to verify compliance with the requirements of this Agreement.

13. **TENANT SELECTION**: Borrower must adopt written tenant selection policies and criteria that:

A. Are consistent with the purpose of providing housing for very low-income and low-income families;

B. Are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;

C. Give reasonable consideration to the housing needs of families that would have a preference under federal selection preferences for admission to public housing;

D. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable, with prompt written notification to any rejected applicant of the grounds for any rejection.

14. **LEAD-BASED PAINT HAZARDS**: Housing funded, in part, by funds provided through this Loan Agreement shall be subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.), and is therefore subject to 24 C.F.R. Part 35; the Borrower shall comply with these provisions in the construction of the Project.

15. **AFFIRMATIVE MARKETING**: Borrower shall comply with the affirmative marketing procedures outlined in the marketing plan, attached hereto as **Exhibit D** and

incorporated herein, to provide information and otherwise attract eligible tenants from all racial, ethnic, and gender groups in the Property's housing market area in accordance with 24 CFR 92.351. Except Borrower may limit eligibility or give preference to a particular segment of the population in accordance with 24 CFR 92.253(d).

16. EXPENSE: The Borrower agrees to pay all direct costs, expenses and attorney fees reasonably incurred by the City in connection with the Borrower's breach or default of this Loan Agreement or the Promissory Note, Deed of Trust, or Covenant, and agrees to pay reasonable loan closing costs, including the costs of title insurance or guarantee as determined by City.

17. PUBLICATIONS/ANNOUNCEMENTS: Contractors using radio or television announcements, newspaper advertisements, press releases, pamphlets, mail campaigns, or any other marketing methods funded by OED, or publicizing activities or projects funded by OED shall first receive approval from OED. In any event, all such publicizing activities must include the following statement: "The funding source for this activity is the City and County of Denver, Office of Economic Development." OED shall be acknowledged in any events regarding the project being funded, including groundbreakings and openings.

18. EXAMINATION OF RECORDS/ANNUAL MONITORING: The Borrower agrees that the City, or any of its duly authorized representatives shall, until the expiration of five (5) years after the expiration of the affordability period set forth in the section above entitled "**RESTRICTIONS ON USE OF PROPERTY,"** have access to and the right to examine any directly pertinent books, documents, papers, and records of the Borrower involving transactions related to this Loan Agreement. Borrower must also require its contractors and subcontractors to allow access to such records when requested. Borrower shall fully cooperate with City in an annual monitoring of Borrower's performance and site inspection to verify compliance with the requirements of this Loan Agreement. The records maintained by Borrower shall include, without limitation, (i) records evidencing the income of each family occupying a City Unit, and (ii) a copy of the lease pursuant to which each City Unit is occupied.

Borrower shall submit to the City the following reports: (1) annual report on rents and occupancy of City Units to verify compliance with affordability requirements in Paragraph 6; (2) Reports (including financial reports) that enable the City to determine the financial condition and continued financial viability of the rental project; and (3) for floating units, information on unit

substitution and filling vacancies to ensure that the Property maintains the required unit mix.

19. CONDITIONS:

A. The obligation of the City to lend the above sums is limited to funds appropriated for the purpose of this Loan Agreement and paid into the City treasury.

B. This Loan Agreement is also subject to the provisions of the City Charter and Revised Municipal Code as the same may be amended from time.

20. NO DISCRIMINATION IN EMPLOYMENT: In connection with the performance of work under this Loan Agreement, the Borrower agrees not to refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, gender identity or gender expression, marital status, or physical or mental disability; and further agrees to insert the foregoing provision in all subcontracts hereunder.

21. INSURANCE: Borrower or its contractor(s) shall procure and maintain insurance in the following types and amounts:

A. Where loan proceeds are disbursed for construction, Builders Risk Insurance or an Installation Floater in the amount of the value of the Property as improved and renovated, with the City and County of Denver named as loss payee.

B. Commercial General Liability Insurance covering all operations by or on behalf of Borrower, on an occurrence basis with limits not less than $1,000,000 per occurrence, $1,000,000 for each personal and advertising injury claims, $2,000,000 products and completed operations aggregate, and $2,000,000 policy aggregate. Borrower's contractor shall include all subcontractors as insureds under its policy or shall furnish separate certificates of insurance for each subcontractor.

C. Worker's Compensation and Employer's Liability Insurance at statutory limits and otherwise sufficient to ensure the responsibilities of Borrower and its contractor under Colorado law.

D. Special cause of loss form property insurance satisfactory to the City in the amount of the value of the property subject to the Deed of Trust and Covenant, with the City named as loss payee.

E. Certificates of Insurance evidencing the above shall be submitted to OED

prior to the disbursement of funds hereunder. Policies shall include a waiver of subrogation and rights of recovery as against the City. Insurance companies providing the above referenced coverage must be authorized to issue insurance in Colorado and be otherwise acceptable to the Director of Risk Management.

22. <u>DEFENSE & INDEMNIFICATION</u>:

A. Borrower agrees to defend, indemnify, and hold harmless City, its appointed and elected officials, agents and employees against all liabilities, claims, judgments, suits or demands for damages to persons or property arising out of, resulting from, or relating to the work performed under this Loan Agreement ("Claims"), unless and until such Claims have been specifically determined by the trier of fact to be due to the sole negligence or willful misconduct of the City. This indemnity shall be interpreted in the broadest possible manner to indemnify City for any acts or omissions of Borrower or its subcontractors either passive or active, irrespective of fault, including City's concurrent negligence whether active or passive, except for the sole negligence or willful misconduct of City.

B. Borrower's duty to defend and indemnify City shall arise at the time written notice of the Claim is first provided to City regardless of whether Claimant has filed suit on the Claim. Borrower's duty to defend and indemnify City shall arise even if City is the only party sued by claimant and/ or claimant alleges that City's negligence or willful misconduct was the sole cause of claimant's damages.

C. Borrower will defend any and all Claims which may be brought or threatened against City and will pay on behalf of City any expenses incurred by reason of such Claims including, but not limited to, court costs and attorney fees incurred in defending and investigating such Claims or seeking to enforce this indemnity obligation. Such payments on behalf of City shall be in addition to any other legal remedies available to City and shall not be considered City's exclusive remedy.

D. Insurance coverage requirements specified in this Loan Agreement shall in no way lessen or limit the liability of the Borrower under the terms of this indemnification obligation. The Contractor shall obtain, at its own expense, any additional insurance that it deems necessary for the City's protection.

E. This defense and indemnification obligation shall survive the expiration or termination of this Loan Agreement.

23. DEFAULT AND ACCELERATION: Borrower expressly agrees that any breach of this Loan Agreement, the Promissory Note, the Deed of Trust, or the Covenant shall constitute a default. The City also may declare a default if any warranty, representation or statement made or furnished to the City by or on behalf of Borrower in connection with this Loan Agreement proves to have been false in any material respect when made or furnished. Upon the existence of a payment default, and without necessity of notice, presentment, demand, protest, or notice of protest of any kind, all of which are expressly waived by the Borrower, the City shall have the right to accelerate any outstanding obligations of the Borrower, which shall be immediately due and payable, including payments under the Promissory Note, to foreclose upon the Property, and to enforce or assign its rights under the Deed of Trust. With regard to any nonpayment default, the City shall provide written notice to the Borrower of such default and Borrower shall have thirty (30) days from the date of such notice to cure the default prior to the City having the right to accelerate the indebtedness and enforce its rights under this Loan Agreement or the Deed of Trust. Upon default, the principal shall draw interest at the rate of fifteen percent (15%) per annum.

The City may also suspend or terminate this Loan Agreement in whole or in part, if Borrower materially fails to comply with any term of this Loan Agreement, including if Borrower becomes delinquent to the City on loan, contractual, or tax obligations as due, or with any rule, regulation or provision referred to herein; and the City may declare the Borrower ineligible for any further participation in City funding, in addition to other remedies as provided by law. In the event there is probable cause to believe the Borrower is non-compliant with any applicable rules, laws, regulations, or Loan Agreement terms, and only after the City provides a 30 day notice to cure that remains uncured by the Borrower (provided that Borrower's investor members shall also receive such notice and have the same right, but not obligation, to cure a default, which will be accepted as if tendered by Borrower), the City may withhold up to one hundred (100%) percent of said Loan Agreement funds until such time as the Borrower is found to be in compliance, or to exercise the City's rights under any security interest arising hereunder.

24. ASSIGNMENT AND SUBCONTRACTING: The City is not obligated or liable under this Loan Agreement to any party other than the Borrower. The Borrower shall not assign, sublet or subcontract with respect to any of the rights, benefits, obligations or duties under this Loan Agreement except upon prior written consent of the City.

25. **ACKNOWLEDGEMENT OF FUNDING**: Borrower will provide and install at the Property signs, in a form mutually agreeable to the Executive Director of OED and the Borrower, acknowledging the participation of the City and the City funding of the Project.

26. **WAIVER**: No waiver of any breach or default under this Loan Agreement shall be held to be a waiver of any other or later breach or default. All remedies afforded in this Loan Agreement shall be construed as cumulative, in addition to every other remedy provided herein or by law.

27. **CITY NOT PARTY TO CONSTRUCTION CONTRACT**: The City is not, and nothing in this Loan Agreement shall be construed to constitute the City, a party to any construction contract pursuant to which the loan or grant proceeds hereof are expended.

28. **DURATION/BINDING EFFECT**: This Loan Agreement shall remain in effect for the period of affordability specified in Section 6(D) above, and shall be binding upon the parties and shall inure to the benefit of their respective successors, assignees, representatives, and heirs.

29. **COUNTERPARTS**: This Loan Agreement may be executed in multiple counterparts, each of which, when executed and delivered, shall be deemed to be an original and, taken together, shall constitute one and the same instrument.

30. **NOTICES**: All notices required by the terms of this Loan Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to Borrower at the address first above written, with a copy to Kutak Rock LLP, 1801 California St., Suite 3000, Denver, Colorado 80202, Attention: John Henry, and if to the City at:

Executive Director of the Office of Economic Development or Designee
City and County of Denver
201 West Colfax Avenue, Dept. 204
Denver, Colorado 80202

With a copy of any such notice to:

Denver City Attorney's Office
1437 Bannock St., Room 353
Denver, Colorado 80202

All notices of default and notice of cure rights should also be sent to Borrower's investor members at the following addresses:

If to the Investor Member and Special Member:

MHEG Fund 48, LP
c/o Midwest Housing Equity Group, Inc.
515 N 162nd Avenue, Suite 202
Omaha, NE 68118

Midwest Housing Assistance Corporation
515 N 162nd Avenue, Suite 202
Omaha, NE 68118
Attention: President

If to the State Credit Member:

ATEP Tammen Hall, LLC
c/o Advantage Capital
190 Carondelet Plaza, Suite 1500
St. Louis, MO 63105
Attention: Jonathan Goldstein

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.

31. **DISPUTES**: All disputes between the City and Borrower arising out of or regarding this Loan Agreement will be resolved by administrative hearing pursuant to the procedure established by D.R.M.C. § 56-106(b)-(f). For the purposes of that administrative procedure, the City official rendering a final determination shall be the Executive Director as defined in this Loan Agreement.

32. **NONRECOURSE**: Notwithstanding any other provision contained herein, or the Promissory Note, the Deed of Trust, or the Covenant, it is agreed that the execution of this Loan Agreement, the Promissory Note, the Deed of Trust, and the Covenant shall impose no personal liability on Borrower or any member of Borrower for payment of any of the obligations described herein or therein, and the City's sole recourse shall be against the Project.

33. <u>ELECTRONIC SIGNATURES AND ELECTRONIC RECORDS</u>: Borrower consents to the use of electronic signatures by the City. This Loan Agreement, and any other documents requiring a signature hereunder, may be signed electronically by the City in the manner specified by the City. The Parties agree not to deny the legal effect or enforceability of this Loan Agreement solely because it is in electronic form or because an electronic record was used in its formation. The Parties agree not to object to the admissibility of this Loan Agreement in the form of an electronic record, or a paper copy of an electronic document, or a paper copy of a document bearing an electronic signature, on the ground that it is an electronic record or electronic signature or that it is not in its original form or is not an original.

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Contract Control Number:

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at Denver, Colorado as of

SEAL

CITY AND COUNTY OF DENVER

ATTEST:

By_____

_____

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

By_____

By_____

By_____

Contract Control Number: OEDEV-201736222-00

Contractor Name: Tammen Hall Apartments LLC
By: Tammen Hall Manager LLC, its managing member
By: MGL Manager LLC, its managing member

By: _____

Name: Lisa Mullins
(please print)

Title: Manager
(please print)

ATTEST: [if required]

By: _____

Name: Kurt Frantz
(please print)

Title: Development Manager Tammen Hall Apartments
(please print)

EXHIBIT A

EXECUTION COPY

TAMMEN HALL APARTMENTS LLC
(a Colorado limited liability company)

FIRST AMENDED AND RESTATED OPERATING AGREEMENT

Dated as of December 1, 2017

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TAMMEN HALL APARTMENTS LLC
(a Colorado limited liability company)

FIRST AMENDED AND RESTATED OPERATING AGREEMENT

THIS FIRST AMENDED AND RESTATED OPERATING AGREEMENT of **TAMMEN HALL APARTMENTS LLC**, a Colorado limited liability company (the "Company"), is made and entered into as of the 1st day of December, 2017, by and among **TAMMEN HALL MANAGER LLC**, a Colorado limited liability company, as Managing Member, **ATEP TAMMEN HALL, LLC,** a Colorado limited liability company, as State Credit Member, **SOLVERA ADVISORS, LLC**, a Colorado limited liability company, as the Withdrawing Investor Member, **MHEG FUND 48, LP**, a Nebraska limited partnership, as the Investor Member, and **MIDWEST HOUSING ASSISTANCE CORPORATION**, a Nebraska corporation, as the Special Member.

WHEREAS, the Company was formed as a Colorado limited liability company pursuant to the Original Company Agreement dated as of January 19, 2016 and the Articles of Organization which was filed with the Filing Office on January 19, 2016; and

WHEREAS, the Withdrawing Investor Member has agreed to withdraw from the Company, and the Investor Member, the Special Member, and the State Credit Member, in exchange for their Capital Contributions, are to be admitted to the Company, all as of the Closing Date;

WHEREAS, the parties hereto desire to enter into this First Amended and Restated Operating Agreement to provide for (i) the withdrawal of the Withdrawing Investor Member as a Member, (ii) the admission of the Investor Member, the Special Member, and the State Credit Member as the Investor Members, and (iii) a restatement of the rights, obligations and duties of the Members to each other and to the Company;

WHEREAS, the Managing Member, the Investor Member, the Special Member, the State Credit Member, and Denver Housing Development Partners, Inc., a Colorado nonprofit corporation of which the Housing Authority of the City and County of Denver is the sole member (the "Class B Special Limited Partner") expect to enter into a separate Addendum to the First Amended and Restated Operating Agreement, which upon execution thereof, will be incorporated by reference into this Agreement (the "Addendum"), and pursuant to which the Class B Special Member shall be admitted as a Member.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, it is agreed and certified that the Original Company Agreement is hereby amended and restated and shall be replaced in its entirety by this Agreement, which is stated in its entirety as follows:

ARTICLE I

NAME AND BUSINESS

Section 1.01. Name; Formation; Filing.

(a) The name of the Company is Tammen Hall Apartments LLC.

(b) The Managing Member shall from time to time take all actions as are necessary or appropriate to: (i) effectuate and permit the continuation of the Company as a limited liability company under the laws of the State, (ii) enable the Company to do business in the State, and (iii) protect the limited liability of the Members under the laws of the State, including the preparation and filing of any certificate, document or instrument of the Company as may be required under the laws of the State. The Members shall execute such certificates, documents and instruments and take such other action as may be necessary to enable the Managing Member to fulfill its responsibilities under this Section 1.01(b). The power of attorney granted in Article XIII hereof may be exercised by the Managing Member to effectuate the provisions of this Section 1.01(b).

Section 1.02. Place of Business.

(a) The principal office of the Company, wherein there shall be maintained those records required by the Act to be kept by the Company, shall be located at 1936 W 33rd Avenue, Denver, Colorado 80211, and the office of the Company in the State is 1936 W 33rd Avenue, Denver, Colorado 80211, or at such place or places as the Managing Member may determine. The Managing Member shall at all times maintain a principal office in the State.

(b) The registered agent of the Company in the State for service of process is Solvera Advisors, LLC, and the post office address of such registered agent is 1936 W 33rd Avenue, Denver, Colorado 80211.

Section 1.03. Names and Addresses of Members. The names and addresses of the Managing Member, State Credit Member and the Investor Members are set forth in Schedule A attached hereto and made a part hereof.

Section 1.04. Purposes. The purposes of the Company are to acquire, finance, rehabilitate, own, maintain, improve, operate, lease and, if appropriate or desirable, sell or otherwise dispose of the Apartment Complex in a manner consistent with the requirements of Section 42 of the Code. The Company shall engage in no other business or activity.

Section 1.05. Term and Dissolution.

(a) The Company shall continue in full force and effect in perpetuity, except that the Company shall, upon the Consent of the Investor Member and the State Credit Member, be dissolved and its assets liquidated prior to such date upon:

(i) A sale or other disposition of all or substantially all of the assets of the Company;

(ii) [Reserved];

(iii) An election to dissolve the Company made in writing by the Managing Member with the Consent of the Investor Member and the Consent of the State Credit Member; or

(iv) An occurrence of any other event which results in a dissolution of the Company pursuant to the Act.

(b) Upon dissolution of the Company, the Managing Member (or for purposes of this paragraph, its trustees, receivers or successors) shall file a statement of dissolution, wind up the Company's business, and liquidate the Company Assets in a manner consistent with Section 4.03 hereof and apply and distribute the proceeds thereof in accordance with Section 4.03 hereof. Notwithstanding the foregoing, if, during the liquidation, the Managing Member shall reasonably determine that an immediate sale of all of the Company Assets would be impermissible, impractical or would cause undue loss to the Members, the Managing Member may either (i) defer liquidation of, and withhold from distribution for a reasonable time, any assets of the Company, except those necessary to satisfy Company debts and obligations, or (ii) with the Consent of the Investor Member and the State Credit Member, distribute Company Assets to the Members in kind.

Section 1.06. Title to Apartment Complex. Legal title to the Apartment Complex, shall, at all times the Company is in existence, be in the name of the Company, and no Member, individually, shall have any ownership interest in the Apartment Complex.

ARTICLE II

DEFINITIONS

Section 2.01. Meanings. Capitalized terms used in this Agreement shall have the meanings specified in this Section 2.01. Certain additional defined terms are set forth elsewhere in this Agreement. For purposes of this Agreement:

"*Accountants*" means Novogradac & Company LLP, or any other firm or firms of independent certified public accountants as may be engaged by the Managing Member, with the Consent of the Investor Member (after consultation with the State Credit Member), on behalf of the Company from time to time.

"*Accountants' Determination*" is defined in Section 3.05(b)(i).

"*Act*" means the Colorado Limited Liability Company Act or any corresponding provision or provisions of succeeding law.

"*Admission Date*" means the date as set forth in Section 14.12 hereof.

"*Affiliate*" means, as to any Member, any Person that: (i) directly or indirectly controls or is controlled by (such as any partnership or limited liability company in which the Member, directly or indirectly, serves as a general partner or managing member, respectively) or is under common control with the specified Member; (ii) is an officer or director of, commissioner of, partner or member in or trustee of, or serves in a similar capacity with respect to, the specified Member or of which the specified Member is an officer, director, partner, member or trustee, or with respect to which the specified Member serves in a similar capacity; or (iii) is the beneficial owner, directly or indirectly, of 10% or more of any class of equity securities of the specified Member or of which the specified Member is directly or indirectly the owner of 10% or more of any class of equity securities. The term "control" (including the term "controlled by" and "under common control with")

means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"*Agency*" means the Colorado Housing and Finance Authority and any successor thereto in its capacity as the agency responsible for administering the Credit program and State Credit program.

"*Agreement*" means this First Amended and Restated Operating Agreement, including all Exhibits and Schedules hereto, as amended from time to time.

"*Allocation Certificate*" means that allocation certificate issued by the Agency in connection with the State Credits and as defined pursuant to Colo. Rev. Stat. § 39-22-2101(1).

"*Apartment Complex*" means the to-be-rehabilitated one (1) building affordable housing project known as Tammen Hall Apartments, consisting of 49 apartment units, all of which are to be rented to seniors of low and moderate income, located at 1010 E. 19th Avenue, Denver, Colorado 80218 (the legal description of which is set forth in Exhibit A), and ancillary and appurtenant facilities and all furnishings, equipment, real property and personal property used in connection with the operation thereof. The land upon which the Apartment Complex sits is subject to the Ground Lease but the Apartment Complex is owned in fee simple by the Company.

"*Application*" means the Company's application for Credits submitted to and approved by the Agency, together with any undertaking submitted to and approved by the Agency in connection with such application.

"*Architect*" means The Neenan Company LLLP, the same being a duly licensed architect in the State, or such other licensed architect selected by the Managing Member with the consent of the Special Member and the State Credit Member.

"*Architect's Certificate*" means each of (i) the AIA certificate of substantial completion (America Institute of Architects standard form G704-2000), executed by the Architect and (ii) the Architect's Certificate, substantially in the form attached as Exhibit B hereto, executed by the Architect, both issued in connection with the Company's achievement of Construction Completion.

"*Articles*" means the Articles of Organization of the Company and any amendment thereto, as filed with the Filing Office in accordance with the Act, as amended from time to time.

"*Attorney-in-Fact*" has the meaning specified in Section 13.01 hereof.

"*Basis Certification*" means (i) the cost certification of Eligible Basis, prepared or audited by the Accountants and approved by the Investor Member at the time of the application for Form(s) 8609, including the Accountants' report stating that there is reasonable basis for the inclusion in Eligible Basis of the development costs proposed to be included therein, and (ii) the written certification of the Accountants, approved by the Investor Member, of the Qualified Rehabilitation Expenditures incurred and the amount of Federal Historic Tax Credit and State Historic Rehabilitation Tax Credit claimed by the Company pertaining to the Apartment Complex.

"*Capital Account*" shall, with respect to each Member, mean and refer to the separate "book" account for such Member to be established and maintained in all events in accordance with Section 704 of the Code and the Regulations thereunder.

(i) Except as otherwise set forth in Article IV hereof to the contrary, a Member's Capital Account shall include generally, without limitation, the Capital Contribution of a Member (as of any particular date), (1) increased by the Member's distributive share of Profits of the Company (including, if such date is not the close of the Company Accounting Year, the distributive share of Profits of the Company for the period from the close of the last Company Accounting Year to such date), and (2) decreased by the Member's distributive share of Losses of the Company and distributions by the Company to such Member (including, if such date is not the close of the Company Accounting Year, the distributive share of Losses and Federal Historic Rehabilitation Credits (if any) of the Company and distributions by the Company during the period from the close of the last Company Accounting Year to such date). For purposes of the foregoing, distributions of property to a Member shall result in a decrease in such Member's Capital Account equal to the Gross Asset Value, as of the date of distribution, of such property (less the amount of indebtedness, if any, of the Company which is assumed by such Member and/or the amount of indebtedness, if any, to which such property is subject, as of the date of distribution, subject to the provisions of I.R.C. § 7701(g)) distributed by the Company to such Member.

(ii) In the event that the Capital Contribution of a Member consists of property having a fair market value in excess of its adjusted basis, or in the event the Gross Asset Values of Company Assets are adjusted under and pursuant to clauses (ii) and (iii) of the definition of Gross Asset Value, the Members' Capital Accounts shall be adjusted thereafter in accordance with the provisions of

§ 1.704-1(b)(2)(iv)(g) of the Regulations with respect to allocations to the Members of Depreciation, gain or loss, as computed for book purposes, and not for tax purposes.

(iii) In the event that the provisions of § 1.704-1(b)(2)(iv) of the Regulations fail to provide guidance on how adjustments to the Capital Accounts of the Members should be made to reflect particular adjustments to Company capital on the books of the Company, then such Capital Account adjustments shall be made by the Managing Member in its reasonable determination (after consultation with the Investor Member), with the review and concurrence of the Accountants and/or with the advice of the professional tax advisors of the Company, in a manner that (1) maintains equality between (A) the aggregate Capital Accounts of the Members and (B) the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes in accordance with § 1.704-1(b) of the Regulations, (2) is consistent with the underlying economic arrangement among the Members, and (3) is based, wherever practicable, on federal tax accounting principles.

"*Capital Contribution*" means the cash plus the Gross Asset Value (net of liabilities) of other property contributed to the Company by each Member. Any reference in this Agreement to the Capital Contribution of a then Member shall include any Capital Contribution previously made by any prior Member in respect of the Interest of such then Member.

"*Capital Event*" means any transaction the proceeds of which are not includable in Cash Flow, including without limitation, the sale or other disposition of all or any

substantial part of the assets of the Company or the refinancing of any mortgage loan, but excluding (i) loans to the Company (other than a refinancing of any mortgage loan) and (ii) contributions to the capital of the Company by the Members.

"*Cash Flow*" means, for any period of time, the total cash receipts of the Company from ordinary operations (excluding the proceeds of any Capital Event, the Capital Contributions of the Members and the proceeds of any loans, other than Operating Deficit Loans), such as, but not limited to, Gross Rent Receipts, *less* (i) the total cash disbursements of the Company (such as, but not limited to, operating expenses, costs of repair or restoration of the Apartment Complex (except to the extent paid from reserves), the Compliance Monitoring Fee, the State Compliance Monitoring Fee, property management fees (excluding the Incentive Management Fee), financing fees or other requirements of any Lender and interest and principal repayments of any loans (other than loans from a Managing Member or any Affiliate thereof (such as Operating Deficit Loans) and other than debt service payments that are payable from or contingent on Cash Flow) and *less* (ii) amounts paid in connection with the establishment or maintenance of reserves as required by Section 6.10 of this Agreement.

"*Class B Special Member*" or "*CBSM*" means Denver Housing Development Partners, Inc., a Colorado nonprofit corporation, of which Denver Housing Authority, a Colorado public body corporate and politic, is the sole member.

"*Closing Date*" means the date the State Credit Member, Investor Member, and Special Member each execute and deliver this Agreement to the Managing Member.

"*Code*" or "*I.R.C.*" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto. Reference herein to any Code section shall include any successor provision.

"*Company*" means Tammen Hall Apartments LLC**,** a limited liability company formed under and pursuant to the Act.

"*Company Accounting Year*" means the accounting year of the Company, ending December 31 of each year.

"*Company Assets*" means, at any particular time, the Apartment Complex and any other assets or property (tangible, intangible, choate or inchoate, fixed or contingent) of the Company.

"*Company Taxable Year*" means the taxable year of the Company which shall be the Company Accounting Year or such other taxable period as may be required by the Code or Regulations.

"*Compliance Monitoring Fee*" means the fee payable to Midwest Housing Equity Group, Inc. pursuant to Section 7.03 hereof.

"*Compliance Period*" shall have the meaning set forth in Section 42(i)(1) of the Code.

"*Consent of the Investor Member*" means, and will be deemed to have been obtained, if the Investor Member shall have been notified in writing by the Managing Member of any action either proposed to be taken or for which ratification is desired and if either on the expiration of 30 days from the receipt of such notice, no objections shall have been received from the Investor Member or the Investor Member shall have expressly consented in writing to such action. In the event that there is more than one Investor

Member, Consent of the Investor Member shall be deemed to have been obtained if a majority in Interest of the Investor Members so consents in accordance with the preceding sentence; provided, however, that if pursuant to the Act, the consent of all Investor Members is required (notwithstanding the terms of this Agreement) in a given context, then the term Consent of the Investor Member shall be deemed to require the consent of all Investor Members. In any action with respect to which the Consent of the Investor Member (or Special Member) is requested, the Company shall reimburse the Investor Member (or Special Member) for all attorneys' fees, accountants' fee and other expenses reasonably incurred by the Investor Member (or Special Member) in connection with the proposed matter, whether or not Consent is given. Upon receipt of Consent of Investor Member, the Managing Member shall provide a notice of the same to the State Credit Member.

"Consent of the State Credit Member" means, and will be deemed to have been obtained, if the State Credit Member shall have been notified in writing by the Managing Member of any action either proposed to be taken or for which ratification is desired and if, on the expiration of 30 days from the receipt of such notice, no objections shall have been received from the State Credit Member or the State Credit Member shall have expressly consented in writing to such action. Upon receipt of Consent of State Credit Member, the Managing Member shall provide a notice of the same to the Investor Member.

"*Construction Completion*" means the later of July 15, 2019 (or such other date as may be Consented to by the Investor Member), or the date 14 days after receipt by the Investor Member and the State Credit Member of each of the following:

(i) An executed certification from the Managing Member, in substantially the same form as the certification attached hereto as Exhibit C;

(ii) The Architect's Certificate;

(iii) Certificates or permits of occupancy for all units in the Apartment Complex. If such certificates or approvals are of a temporary nature, "Construction Completion" shall not be deemed to have occurred unless (A) such certificates or permits of occupancy permit occupancy of all of the units, (B) the work remaining to be done is of a nature that would not impair the permanent occupancy of any of the units of the Apartment Complex on a full paying basis, and (C) the Company has made adequate provision to the reasonable satisfaction of the Investor Member for the payments and completion of all outstanding punch list items and any other work that remains to be performed;

(iv) [Reserved];

(v) Either the Title Policy, or if the same has already been issued, then a date-down endorsement to the Title Policy bringing the effective date forward to Construction Completion, as approved by the Special Member and the State Credit Member;

(vi) [Reserved];

(vii) Receipt, in form satisfactory to the Special Member, of insurance policies satisfying the requirements of Exhibit D and Section 6.09 hereto;

(viii) [Reserved];

(ix) Receipt of a draft Basis Certification evidencing the Company's sources and uses balance; and

(x) Receipt of a copy of a Part 2, approved by the National Park Service without conditions (or, if conditional, evidence that the Company has satisfied such conditions) in form and substance acceptable to the Investor Member.

Any work outstanding shall require an estimate (by the Investor Member in its sole discretion) of proceeds necessary to complete such work, which proceeds shall be held pari passu with proceeds from the State Credit Member Capital Contribution due at Construction Completion in escrow by the Investor Member until completion of such work outstanding (and upon completion of such work, the Investor Member may pay such proceeds directly to the Contractor). Further, the representation submitted by the Managing Member pursuant to clause (i) above may be subject to confirmation by the Special Member (or its designee) pursuant to a physical inspection of the Apartment Complex.

"*Construction Contract*" means the construction contract, including all exhibits and attachments thereto, entered into between the Company and the Contractor, pursuant to which the Apartment Complex is to be constructed.

"*Construction Lender*" means Colorado Housing and Finance Agency its capacity as the maker of the Construction Loan (as governmental lender receiving a loan from Citibank, N.A.), or its successor and assigns in such capacity.

"*Construction Loan"* means the tax-exempt bond and construction loan in the aggregate principal amount of up to $10,500,000 together with the taxable construction loan in the aggregate principal amount of $2,000,000 made to the Company by the Construction Lender, which is evidenced and secured by the Construction Loan Documents.

"*Construction Loan Documents*" means the promissory note, the mortgages, the guarantees, and other related security documents, financing statements and other documents executed by the Company in connection with the Construction Loan.

"*Contractor*" means The Neenan Company LLLP, which is the general construction contractor for the Apartment Complex.

"*Credit*" means the low income housing tax credit allowable to the Company pursuant to Section 42 of the Code.

"*Credit Period*" means the credit period as defined in Section 42(f)(1) of the Code, which also includes an eleventh year, as applicable, for receipt of the Credit..

"*Debt Service Coverage Ratio*" means a percentage which shall be deemed to have occurred on the first day following a specified period of consecutive calendar months (or days) commencing on or after Construction Completion computed by dividing the Net Operating Income (as defined below) for each of the consecutive calendar months (or days) by all debt service payments required to be made (without regard to Cash Flow) during each of the consecutive calendar months (or days). For purposes of the foregoing, the amount of required debt service payments for a period shall be computed on the assumption that the following permanent financing is in effect: (i) $3,000,000 bearing an interest rate anticipated to be approximately 4.94% and having a 15-year term and 35-year amortization period (or, if different, the amount, rate and amortization period in effect for the Company's actual permanent financing that has closed and funded). A period of consecutive calendar months or days shall be determined by analyzing the specified period as a whole and not by applying the Debt Service Coverage Ratio test to individual months or days within the period. The determination of the Debt Service Coverage Ratio (and the components

thereof) shall be performed and certified by the Accountants and confirmed by the Investor's Accountants, and shall be evidenced by a letter or certificate from such Accountants in form and substance reasonably satisfactory to the Investor Member, with a copy of the same to be provided to the State Credit Member.

"*Deferred Developer Fee*" means the portion of the Developer Fee which remains outstanding after Company's receipt of Forms 8609, which shall have the terms and conditions specified in Section 7.02.

"*Depreciation*" means, for purposes of maintaining Capital Accounts and not for purposes of calculating taxable income, for each Company Accounting Year or other period, with respect to Company Assets, an amount that bears the same ratio to the Gross Asset Values of Company Assets as the federal income tax depreciation, amortization, or other cost recovery deductions for such Company Assets for such year or other period bears to the adjusted tax bases of such assets, appropriately adjusted for any adjustments to the tax bases of such assets which occur from time to time during such year or other period.

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

"*Developer*" means Solvera AH Developers, LLC, a Colorado limited liability company.

"*Developer Fee*" means the fee payable to the Developer pursuant to Section 7.02 hereof for services under the Development Agreement.

"*Development Agreement*" means the Development Services Agreement between the Company and the Developer dated as of December 1, 2017.

"*Disposition*" (including the verb form "*Dispose*" and the adjective form "*Disposing*") means, as to a Member, the assignment, sale, transfer, exchange, pledge, hypothecation or other disposition of all or any part of its Interest.

"*Disposition Fee*" means the fee payable to Midwest Housing Equity Group, Inc. pursuant to Section 7.04 hereof for services provided in connection with a sale of the Apartment Complex (or the sale or redemption of the Investor Member's Interest after the end of the Compliance Period).

"*Entity*" means any general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative, association, limited liability company or the State or any agency or political subdivision thereof.

"*Event of Bankruptcy*" means, with respect to any Person: (i) the entry of a decree or order for relief by a court having jurisdiction in respect of such Person in a case under the Federal bankruptcy laws, as now or hereafter constituted, or any other similar law, or the issuance of an order for the winding-up or liquidation of his affairs and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days, or (ii) the commencement by such Person of a proceeding under any reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or (iii) the commencement against such Person of any such proceeding which remains undismissed for a period of 90 days, or any act by such Person which indicates such Person's consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of or trustee for it or of any substantial part of its property, or allows any such receivership or trusteeship to continue undischarged for a period of 30 days, or (iv) the taking of any action to authorize any of the

foregoing, or (v) the making of an assignment for the benefit of creditors, or (vi) the Person files a petition in bankruptcy or petitions or applies to any tribunal for any receiver of such Person or for any substantial part of such Person's property, or (vii) if either (a) any one or more judgments or orders against such Person with respect to a claim or claims involving in the aggregate liabilities exceeding $50,000, which judgment or order is not covered in full by insurance and is not stayed, bonded, paid or discharged within 30 days after such judgment or order, or (b) any writ of attachment or execution or any similar process is (I) issued or levied against such Person's property and (II) is not discharged or stayed within 30 days thereof.

"*Extended Use Agreement*" shall mean an agreement between the Agency and the Company required pursuant to Section 42(h)(6) of the Code

"*Federal Historic Rehabilitation Credit*" means the historic rehabilitation credit allowable to the Company under Section 47 of the Code.

"*Filing Office*" means the Office of the Secretary of State of the State.

"*Final Determination*" means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction or government agency with regard to any issue affecting the Company, 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 (ii) the date on which the Internal Revenue Service has entered into a binding agreement with the Company with respect to such issues or has reached a final administrative or judicial determination with respect to such issues which, whether by law or agreement, is not subject to appeal.

"*First Mortgage Loan*" means the first mortgage tax-exempt bond from the Colorado Housing and Finance Authority (as governmental lender receiving a loan from Citibank, N.A.) to the Company in the approximate amount of $3,000,000 anticipated to bear interest at approximately 4.94% per annum, having a 15-year term and a 420-month amortization period; provided, however, that if the rate at conversion is higher than 4.94% and materially affects Cash Flow, Investor Member reserves the right to require a lower principal amount for the First Mortgage Loan.

"*Forms 8609*" means the IRS Form 8609 issued by the Agency for each residential building of the Apartment Complex which finally allocates Tax Credits to such residential building.

"*Funding Date*" means the date upon which all conditions as listed in Section 3.03 of this Agreement related to the Pre-Completion Capital Contribution have been satisfied, anticipated to be no later than June 1, 2018.

"*Gross Asset Value*" means the following, with respect to any Company Asset:

(i) The initial Gross Asset Value of any Company Asset at the time that it is contributed by a Member to the capital of the Company shall be an amount equal to the gross fair market value of such Company Asset (without regard to the provisions of I.R.C. Section 7701(g)), as determined by the contributing Member and the Company;

(ii) The Gross Asset Values of all Company Assets may be adjusted, as reasonably determined by the Managing Member, to equal their respective fair market values taking Code Section 7701(g) into account (A) in connection with the contribution of money or other property (other than a *de minimis* amount) to

the Company by a new or existing Member as consideration for an Interest in the Company or (B) in connection with the liquidation of the Company or the distribution by the Company of more than a *de minimis* amount of Company Assets or money to a retiring or continuing Member as consideration for an Interest in the Company or in any other circumstances set forth in § 1.704-1(b)(2)(iv)(f)(5) of the Regulations or in any successor regulations.

"*Gross Rent Receipts*" means, for any period of time, all rental and other incidental income received (on a cash basis) by the Company, including, without limitation, any rent subsidies, to the extent available, late payments, forfeited deposits, rental loss insurance proceeds, master lease proceeds and proceeds from laundry facilities and vending machines.

"*Ground Lease*" means that certain land lease between Landlord and the Company dated as of January 31, 2017, as amended, and having a term of seventy-five (75) years.

"*Guarantor*" means, jointly and severally, Solvera AH Developers LLC, Solvera Advisors LLC, Gregory D. Glade, Lisa Mullins, Michael L. Gerber and Tammen Hall Manager LLC, and any successors thereto pursuant to the Guaranty executed as of the date hereof for the benefit of the Investor Member or pursuant to the Guaranty (State Investor) executed as of the date hereof for the benefit of the State Credit Member.

"*Historic Certification*" means the first date on which both the following have occurred: (i) the Apartment Complex shall have been placed in service for purposes of Section 47 of the Code, and (ii) the issuance of a final certificate of rehabilitation of the historic building of the Apartment Complex by the Secretary of the Interior which

designates such building as a "Certified Rehabilitation" pursuant to Section 47(c)(2)(C) of the Code.

"*Incentive Management Fee*" means the management fee payable to the Managing Member from Cash Flow pursuant to the Incentive Management Fee Agreement and Section 7.05 hereof as compensation for its efficient management of the Company and providing (or arranging for the provision of) supportive services to tenants of the Apartment Complex (to the extent required in the Company's Application for Credits submitted to the Agency) in accordance with the terms of the Incentive Management Fee Agreement dated as of the date hereof between the Company and the Managing Member.

"*Incentive Management Fee Agreement*" means that certain Incentive Management Fee Agreement between the Company and the Managing Member, dated as of the Closing Date.

"*Interest*" means the entire interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Agreement and the obligations of such Member to comply with the terms of this Agreement.

"*Investor Member*" means MHEG Fund 48, LP, a Nebraska limited partnership, and any Person or Persons who, at the time of reference hereto, have been admitted as additional or successor Investor Members. It may also refer to depending on context the Investor Member, the Special Member, and the Class B Special Member and any person who becomes a Substituted Investor Member in respect of any portion of the Investor Member Interest of an Investor Member as provided in Article IX hereof. At any time when there

is more than one Investor Member, the term "Investor Member" or "Investor Members" shall include, collectively, all such Persons.

"*Investor's Accountants*" means Dauby O'Connor & Zaleski, LLC, or any other firm or firms of independent certified public accountants as may be selected by the Investor Member from time to time.

"*Landlord*" means Sisters of Charity of Leavenworth Health System, Inc. as landlord under the Ground Lease.

"*Lender*" means any lender or its successors and assigns under any mortgage constituting the Mortgage.

"*Management Agent*" means Silva-Markham Members, LLC and/or any successor or assign who is selected by the Managing Member, with the Consent of the Investor Member (after consultation with the State Credit Member), to provide property management services with respect to the Apartment Complex from time to time in accordance with Article XI hereof.

"*Management Agreement*" means the Property Management Agreement between the Company and the Management Agent in connection with the management of the Apartment Complex.

"*Management Fee*" means the management fee payable to the Management Agent pursuant to the terms of the Management Agreement and this Agreement.

"*Managing Member*" means Tammen Hall Manager LLC, a Colorado limited liability company, and any Person or Persons who, at the time of reference thereto, have been admitted as additional or successor Managing Members, in each such Person's capacity as a managing member of the Company. At any time when there is more than one

Managing Member, the term "Managing Member" or "Managing Members" shall include, collectively, all such Persons, unless the context clearly implies that such term only refers to one of them.

"*Member*" means the Managing Member and/or the Investor Member and/or the Class B Special Member and/or the State Credit Member and/or the Special Member, as the context so requires and any person who becomes a Substituted Member in respect of any portion of the Member Interest of a Member as provided in Article IX hereof. At any time when there is more than one Member, the term "Member" or "Members" shall include, collectively, all such Persons.

"*Minimum Gain*" means, with respect to each Member, the amount computed in accordance with § 1.704-2(g) of the Regulations. The Company shall separately compute each Member's share of Minimum Gain attributable to partner nonrecourse debt pursuant to § 1.704-2(i) of the Regulations.

"*Mortgage*" means any mortgage or deed of trust securing an indebtedness of the Company evidenced by a Mortgage Note and encumbering the Apartment Complex, as such indebtedness may be increased, decreased or refinanced in accordance with this Agreement and the Project Documents. Where the context permits, the term "Mortgage" shall include any mortgage, deed, deed of trust, note, regulatory agreement, security agreement, assumption agreement or other instrument executed in connection with a Mortgage Note which is binding on the Company and secures the indebtedness evidenced by a Mortgage Note; and in the case any Mortgage is replaced, supplemented or amended, by any subsequent mortgage or mortgages, or mortgage amendment, the "Mortgage" shall refer to any such subsequent mortgage or mortgages, or mortgage amendment.

"*Mortgage Note*" means the promissory note executed or to be executed by the Company in favor of any Lender to evidence the indebtedness incurred by the Company in connection with the financing for the Apartment Complex.

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

"*Net Proceeds*" means the difference between (A) the sum of (i) the gross proceeds from a Capital Event other than a refinancing; (ii) the excess proceeds from the refinancing of any loan on the Apartment Complex (that is, any refinancing proceeds not needed for the repayment of the loan refinanced or for other Company expenses, obligations or expenditures as determined by the Managing Member); and (iii) the receipt of any proceeds from insurance settlements or other claims attributable to fire or other casualty, or from condemnation, sales or grants of easements, rights-of-way or the like in excess of those needed for repair, restoration or replacement of the damaged, destroyed or condemned property, and (B) the payment of or due provision for (i) all liabilities to creditors of the Company (excluding, except in the event of the dissolution and liquidation of the Company, fees owed to the Managing Member or any Affiliate and loans to the Company from the

Managing Member or any Affiliates thereof for any purpose, including, without limitation, Operating Deficit Loans) and (ii) necessary and customary expenses of such Capital Event (other than, except in the event of the dissolution and liquidation of the Company, expenses payable to the Managing Member or an Affiliate thereof).

"*Operating Deficit*" shall mean at any time or period of time the amount by which (i) the Gross Rent Receipts, *together with* other available cash and funds on hand of the Company, if any, *but excluding*: (a) funds from Capital Contributions (except to the extent that Capital Contribution proceeds are used to fund initial working capital amounts), (b) the proceeds of any loans obtained by the Company (except for Operating Deficit Loans), (c) advance rent payments to the extent allocable to periods after the period of determination, (d) nonforfeited tenant deposits, and (e) any and all amounts held in the Operating Deficit Reserve Account and the Replacement Reserve Account, is less than (ii) the amount necessary to meet all of the costs and expenses of any type due and payable incidental to the operation and business activities of the Company, including, without limitation, debt service payments due under the Mortgage loans (other than payments made from Cash Flow), taxes, insurance, costs of operations, maintenance, repairs (except to the extent payable from the Replacement Reserve), interest, management expenses, the Compliance Monitoring Fee, the State Compliance Monitoring Fee, prepaid expenses and reserve funding requirements, but excluding repayment of any loans from a Managing Member (or Affiliates thereof) and distributions of Cash Flow to Members.

"*Operating Deficit Loan*" means any loan or loans made to the Company pursuant to Section 6.11 hereof.

"*Original Company Agreement*" means the initial Operating Agreement of the Company dated as of January 19, 2016.

"*Part 1*" means the Historic Preservation Certification Application, Part 1 – Evaluation of Significance, that being the application filed by the Company with the National Park Service to determine that the Apartment Complex is a "certified historic structure" and/or should be listed on the National Register of Historic Places.

"*Part 2*" means the Historic Preservation Certification Application, Part 2 – Description of Rehabilitation, that being an application filed by the Company with the National Park Service to determine that the proposed rehabilitation of the Apartment Complex meets the "standard for rehabilitation" of the U.S. Department of the Interior.

"*Part 3*" means the determination by the National Park Service, pursuant to Part 3 of the Certification Application, that the rehabilitation and construction work with respect to the Apartment Complex have been completed in such a manner as to allow the National Park Service to determine that the Apartment Complex is a "certified rehabilitation" of a "certified historic structure" under Section 47 of the Code.

"*Person*" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such individual or Entity as the context may require.

"*Plans*" means the final signed and sealed plans and specifications for the construction of the Apartment Complex prepared by the Architect and approved by the Lender, Investor Member, State Credit Member, and any applicable governmental subdivision or agency, together with any change orders approved in accordance with this Agreement.

"*Power of Attorney*" has the meaning specified in Section 13.01 hereof.

"*Profits and Losses*" means, subject to Sections 4.04 and 4.06 herein, for each calendar year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with I.R.C. § 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to I.R.C. § 703(a)(1) shall be included in taxable income or loss), with the following adjustments to be made solely for purposes of maintaining Capital Accounts and not for determining taxable income or loss:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profits or Losses pursuant to this definition shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in I.R.C. § 705(a)(2)(B) or treated as I.R.C. § 705(a)(2)(B) expenditures pursuant to § 1.704-l(b)(2)(iv)(i) of the Regulations, and not otherwise taken into account in computing Profits or Losses pursuant to this definition, shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company Asset is adjusted pursuant to clause (ii) or (iii) of the definition of Gross Asset Value, the amount of such adjustment shall be taken into account as hypothetical gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(iv) Gain or loss resulting from any disposition of any asset of the Company with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property

disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value; and

(v) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there shall be taken into account Depreciation for such calendar year or other period.

"*Project Documents*" means the Construction Loan Documents, the First Mortgage Loan documents, the Second Mortgage Loan documents, the Seller Loan documents, the SCL Health Loan documents, all other Mortgages and the Mortgage Notes, the Company Agreement, the Development Agreement, the Guaranty, the Guaranty (State Investor), the Management Agreement, the Extended Use Agreement, the Right of First Refusal, the Ground Lease, the Reimbursement and Assignment Agreement, the Compliance Monitoring Agreement, the Compliance Monitoring Agreement (State Investor), the Construction Contract, the Plans and any other documents or regulatory agreement related to the acquisition, financing, development, construction, operation or contemplated use of the Apartment Complex, as such documents may be amended from time to time.

"*Project Loans*" means the Construction Loan, the First Mortgage Loan, the Second Mortgage Loan, the Seller Loan, and the SCL Health Loan.

"*Qualified Investments*" means any of the following if and to the extent permitted by law: (i) direct obligations of or obligations the principal of and interest on which are guaranteed by the United States Government; or (ii) obligations of any agency or instrumentality of the United States Government backed by the full faith and credit of the United States; or (iii) demand and savings deposits at commercial banks and savings and loan associations, provided that the entire deposit is insured by the Federal Deposit

Insurance Corporation ("FDIC"); or (iv) certificates of deposit issued by any state or national bank which has combined capital, surplus, and undivided profits of not less than $50,000,000, or any savings and loan institution having combined capital, surplus, and retained earnings of not less than $50,000,000 (or such other financial institution as may be approved by the Special Member), provided that all such investments are fully insured by the FDIC or fully secured by investments described in (i) or (ii); or (v) repurchase agreements or time deposits with banks or trust companies organized under the laws of the United States or any state or the District of Columbia having combined capital, surplus, and undivided profits of not less than $50,000,000 or any of its affiliates, provided that all such investments shall be fully insured by FDIC or fully secured by investments described in (i) or (ii) above which have a fair market value equal to 103% of the face amount of the repurchase agreement plus an amount equal to the amount by which the anticipated interest earnings under the arrangement exceed interest which would have been earned at a rate of 4% per year, provided that the party investing in any repurchase agreement shall receive a perfected security interest, whether by delivery or by registration on a book-entry account of a Federal Reserve Bank, in the underlying obligations subject to such repurchase agreement; or (vi) shares of registered investment management companies investing exclusively in the foregoing.

"*Qualified Occupancy*" means the product of (i) 100% and (ii) a fraction, the numerator of which is the number of units in the Apartment Complex that are occupied (or treated as occupied for Credit purposes) by Qualified Tenants, and the denominator of which is the number of units in the Apartment Complex.

"*Qualified Rehabilitation Expenditures*" shall mean "qualified rehabilitation expenditures" as such term is defined in Section 47(c)(2) of the Code.

"Qualified Tenant" means a tenant (i) with income not exceeding the percentage of area median gross income set forth in Section 42(g)(1)(A) or (B) of the Code (whichever is applicable) who leases a unit in the Apartment Complex under a lease having an original term of not less than six months at a rent not in excess of that specified in Section 42(g)(2) of the Code; and (ii) complying with any other requirements of the Project Documents.

"*Regulations*" means the final, temporary, and/or proposed Income Tax Regulations promulgated under the Code, as amended and in effect from time to time.

"*Right of First Refusal*" means that certain Right of First Refusal entered into by and between the Company, the Managing Member, the Investor Member, the Special Member, the State Credit Member, and Sisters of Charity of Leavenworth Health System, Inc., dated as of the Closing Date.

"*Schedule A*" means the Schedule A attached hereto and made a part hereof.

"*SCL Health Loan*" means the permanent loan from Sisters of Charity of Leavenworth Health System, Inc. to the Company in the approximate amount of $580,000 bearing interest at 5.00% per annum, anticipated as having an approximate 16-year term. Payments will be payable from available Cash Flow as set forth in Section 4.02(a).

"*Second Mortgage Loan*" means the second mortgage loan from the City and County of Denver to the Company in the approximate amount of $735,000 bearing interest at 1% per annum, having an approximate 40-year term. Payments will be payable from available Cash Flow as set forth in Section 4.02(a).

"*Security Deposits*" shall mean the deposits, if any, paid by the tenants to the Apartment Complex to the Company or the Management Agent as security against damage or non-payment by a tenant.

"*Seller Loan*" means the seller carryback loan from Sisters of Charity of Leavenworth Health System, Inc. to the Company in the approximate amount of $1,700,000 bearing interest at 2.68% per annum, anticipated as having an approximate 16-year term. The source of the Seller Loan is the purchase price for the building owned in fee simple as part of the Apartment Complex. Payments will be payable from available Cash Flow as set forth in Section 4.02(a).

"*Service*" or "*IRS*" shall mean the Internal Revenue Service.

"*Special Member*" means Midwest Housing Assistance Corporation, a Nebraska corporation, in its capacity as a Special Member of the Company.

"*Special Tax Counsel*" means Kutak Rock LLP.

"Stabilization" means the later of (i) January 15, 2020 and (ii) the first date on which all of the following conditions have been satisfied: (A) as determined by the Accountants and confirmed by the Investor Member, the Apartment Complex has maintained, for three (3) full consecutive months of operations following receipt of final certificates of occupancy for each unit in the Apartment Complex, a Debt Service Coverage Ratio of 1.20:1 or greater; (B) the Apartment Complex has achieved 100% Qualified Occupancy; (C) no liens have been filed and are outstanding (other than the contemplated Mortgages and the Extended Use Agreement) and the mechanics lien filing period applicable to the Apartment Complex has expired; (D) the Investor Member and State Credit Member received and approved the Basis Certification and the Allocation

Certificate; (E) a date-down endorsement to the Title Policy bringing the effective date forward to Stabilization in form and substance acceptable to the Investor Member, with a copy to the State Credit Member, (F) the Investor Member and State Credit Member have received a copy of the recorded Extended Use Agreement, (G) [Reserved]; (H) [Reserved]; (I) the Construction Loan has been repaid such that it has converted to the First Mortgage Loan, and the Second Mortgage Loan and SCL Health Loan have funded; (J) the Investor Member has received evidence that the Class B Special Member has been admitted to the Company; (K) the Company has received the Part 3; and (L) final approval by the Colorado Office of Economic Development of the rehabilitation plan and issuance of the tax credit certificate described in Colo. Rev. Stat. § 39-22-514.5(8)(b).

"*State*" means the State of Colorado.

"State Compliance Monitoring Fees" means the fee payable to the State Credit Member pursuant to Section 7.03 hereof.

"State Credit Member" means ATEP Tammen Hall, LLC, a Colorado limited liability company, and its successors and assigns.

"*State Credit Period*" has the meaning set forth in Section 3.06(a).

"State Credits" means the Colorado low-income housing tax credit which is anticipated to be available to the Company pursuant to Colo. Rev. Stat. § 39-22-2101 et seq.

"*State Designation*" means, with respect to the Apartment Complex, as it is financed by the proceeds of tax-exempt bonds and the Apartment Complex qualifies for the exception described in Section 42(h)(4)(B) of the Code, the written determinations by the Agency and/or Lender that the Apartment Complex meets the requirements set forth in

Sections 42(m)(1)(D) and 42(m)(2)(D) of the Code and Colo. Rev. Stat. § 39-22-2101, et seq., and the assignment by the Agency of Tax Credit building identification number(s) with respect to the Apartment Complex.

"*State Historic Rehabilitation Tax Credit*" means the state historic rehabilitation credit issued to the Company pursuant to Colo. Rev. Stat. § 39-22-514.5.

"*Substituted Investor Member*" means any Person who is admitted to the Company as a successor Investor Member pursuant to Section 9.02 hereof.

"Substituted State Credit Member" means any Person who is admitted to the Company as a successor State Credit Member pursuant to Section 9.02 hereof.

"*Tax Matters Member*" means Tammen Hall Manager LLC, which is hereby designated as the tax matters partner of the Company pursuant to Code Section 6231(a).

"*Taxes*" is defined in Section 3.05(b)(i).

"*Title Policy*" means an ALTA extended coverage owner's leasehold policy of title insurance as to the land and fee simple policy of title insurance as to the building (or an endorsement to an existing title policy) from a title insurer acceptable to the Special Member, insuring the Company's interest in the land underlying the Apartment Complex, in form and substance acceptable to the Special Member.

"*Withdrawal*" (including the verb form "*Withdraw*" and the adjective form "*Withdrawing*" or "*Withdrawn*") means, as to a Managing Member, the occurrence of death, adjudication of insanity or incompetence, Event of Bankruptcy, dissolution, liquidation, or voluntary or involuntary withdrawal or retirement from the Company for any reason, including whenever a Managing Member may no longer continue as a Managing Member by law or pursuant to any terms of this Agreement. Withdrawal shall

also mean the sale, assignment, transfer or encumbrance by a Managing Member of its interest as a Managing Member. A Managing Member which is a corporation, limited liability company or partnership shall be deemed to have sold, assigned, transferred or encumbered its interest as a Managing Member in the event (as a result of one or more transactions) of any sale, assignment or other transfer (but specifically excluding any transfer occurring pursuant to the laws of descent and distribution) of a controlling interest in a corporate Managing Member, or of a controlling membership interest in a Managing Member that is a limited liability company, or of a general partner interest in a Managing Member which is a partnership. For purposes of this definition of *Withdrawal*, "controlling interest" shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. However, dissolution of any Managing Member which is a partnership shall not be deemed a Withdrawal unless there is a termination and winding up of the business of such partnership.

"*Withdrawing Investor Member*" means Solvera Advisors LLC, which is hereby withdrawing as an Investor Member from the Company simultaneously with the admission of the Investor Member, the State Credit Member and the Special Member into the Company.

Section 2.02. Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or persons may require. Words such as "herein," "hereinafter," "hereof," "hereto" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.

ARTICLE III

CAPITAL

Section 3.01. Capital Contribution of Managing Member. The Managing Member has contributed or will contribute in cash to the Company the Capital Contribution set forth in Schedule A. Notwithstanding anything to the contrary in this or any prior agreement, the parties hereto agree and acknowledge that the amount reflected in Schedule A represents the value of all property and other contributions by the Managing Member to the Company as of this date (assuming cash contributions have been made in accordance with the preceding sentence) and such amount shall represent the initial Capital Account of the Managing Member in the Company.

The Managing Member covenants and agrees that, on or before the end of each year during the Compliance Period, it will contribute cash to the Company in such amount as the Accountants determine is necessary to enable the Company to repay such portion of the Seller Loan and the SCL Health Loan as may be required to ensure that not more than 60% of the eligible basis of the Apartment Complex is attributable to such financing in accordance with Code Section 42(k)(2)(C).

Section 3.02. Withdrawal of Withdrawing Investor Member and Admission of Investor Member, Special Member, State Credit Member, and Class B Special Member. As of the Admission Date, the Withdrawing Investor Member hereby withdraws from the Company as a Investor Member and acknowledges that it no longer has any Interest in, or rights or claims against the Company as a Member, and acknowledges that it has received a return of the balance of its Capital Account. The Investor Member, the Special Member and the State Credit Member are hereby admitted as Investor Members to the Company as of the Admission Date, and upon execution of the Addendum, the Class B Special Member shall be admitted as a Member of the Company. All such Investor Members shall have the Interest specified on Schedule A attached hereto. Pursuant to the to-be-executed Addendum, the Class B Special Member will be admitted

to the Company as of the Admission Date as a Class B Special Member with the rights and obligations specified in such Addendum, and shall have the Interest specified on Schedule A attached hereto. The Managing Member shall have no authority to admit additional Members without the Consent of the Investor Member and the State Credit Member.

Section 3.03. Capital Contribution of Investor Members and State Credit Member. Each of the Investor Member's, State Credit Member's, and Special Member's Capital Contributions of $10 was paid in full in cash on the date of its admission. The Investor Member shall have the obligation to contribute to the Company the aggregate amount of $7,773,794, subject to the terms and conditions described herein.

The Investor Member shall make its second Capital Contribution ("Pre-Completion Capital Contribution") in the aggregate amount of $777,369 at the latest of: (A) the Funding Date; (B) receipt by the Investor Member of executed copies of the Construction Loan Documents which have been approved by the Special Member, together with receipt of evidence that the Construction Lender is ready, willing and able to fund the proceeds of the Construction Loan to the Company; (C) receipt by the Investor Member of building permits (or a permit-ready letter, as applicable) permitting the construction of the Apartment Complex; (D) receipt by the Investor Member of satisfactory evidence that the Company, the Contractor and the Apartment Complex are covered by insurance in accordance with the provisions of Section 6.09(d) and Exhibit D; (E) receipt by the Investor Member and State Credit Member of a Title Policy commitment and an ALTA Survey of the land (certified to the Investor Member and State Credit Member) underlying the Apartment Complex, as approved by the Investor Member and State Credit Member in their reasonable discretion; (F) receipt by the Investor Member of 100% payment and performance bonds securing the Construction Contract in form and substance acceptable to the Special Member from a bonding

company acceptable to the Special Member, with the Investor Member listed as a dual obligee thereto; (G) receipt, in form acceptable to the Investor Member and State Credit Member, of executed amendments to the Seller Loan and the Ground Lease; and (H) satisfactory completion by the Investor Member of its due diligence as to the Apartment Complex, the Company and the Managing Member all as determined by the Investor Member in its sole discretion.

Pre-Completion Capital Contributions shall be disbursed no more frequently than once a month on a "draw" basis based upon (i) written draw requests in the form of an original Contractor's requisition for payment in form and substance reasonably satisfactory to the Special Member (America Institute of Architects standard form G-722 or G-702/G-703 shall be deemed satisfactory with respect to form but not necessarily substance) and, if the Contractor is affiliated with the Managing Member, an independent confirmation of the costs incurred by the Contractor, in form and substance reasonably satisfactory to the Special Member, (ii) receipt of an updated Managing Member Certificate in the form of Exhibit C at least 14 days (but not more than 30 days) prior to the requested payment date of the draw, (iii) either the Title Policy, or if the same has already been issued and approved by the Special Member, then a date-down endorsement to the Title Policy bringing the effective date forward to the date of the requested draw. and (iv) copies of all receipted bills, certificates, affidavits, releases of lien and other documents which may be reasonably required by the Investor Member or the title company as evidence of the amount necessary for full payment for all labor and materials incident to the construction/rehabilitation of the Apartment Complex attributable to the construction draw in question, and will promptly secure the release of the Apartment Complex from all liens attributable to the foregoing costs upon payment from such construction draw.

Neither the Investor Member nor the State Credit Member shall have any obligation to make any further Capital Contributions to the Company if Construction Completion has not been achieved by December 31, 2019. Subject to the foregoing and to the receipt of an updated Managing Member Certificate in the form of Exhibit C at least 14 (but not more than 30) days prior to the due date of the installment (which shall also be addressed to and delivered to the State Credit Member), the Investor Member shall make an additional Capital Contribution to the Company in the amount of $3,109,518 upon Construction Completion, an additional Capital Contribution in the amount of $3,878,504 upon Stabilization, and an additional Capital Contribution in the amount of $8,393 upon the later of Stabilization or receipt of Forms 8609. The Investor Member shall make its Capital Contributions as described in this Section 3.03 simultaneously with the State Credit Member's corresponding Capital Contributions.

The parties hereto agree that all or a portion of the Investor Member's Capital Contribution to be paid at Construction Completion may, at the sole discretion of the Investor Member, be paid directly to the Construction Lender by the Investor Member, to the extent of amounts owing to the Construction Lender, such payment being treated as a Capital Contribution by the Investor Member to the Company under this Section 3.03, followed by a payment from the Company to the Construction Lender.

If (i) the conditions for making the Capital Contributions set forth above have been satisfied, and (ii) the actual amount of Credits (determined by reference to the Basis Certification and complete and executed Forms 8609) exceeds the projected amount of Credits (determined by reference to Section 3.05(a) hereof) for all of the Credit Period (the amount of any such excess being hereinafter referred to as the "Credit Excess"), then there shall be an increase in the Investor Member's Capital Contribution in an amount equal to the product of the Credit Excess and $0.965

(the "Upward Adjustment Amount"). The Investor Member shall pay the Upward Adjustment Amount to the Company as a Capital Contribution within fifteen business days of the later of (A) Stabilization or receipt of Forms 8609 or (B) the Managing Member's certification that the representations and warranties set forth in Sections 6.09 and 6.10 remain true and correct as of the date of the Investor Member's contribution of the Upward Adjustment Amount and there is no default by the Managing Member or amounts owed the Investor Member under the Agreement or Guaranty.

Additionally, if (i) the conditions for making the Capital Contribution set forth above have been satisfied, and (ii) the amount of Credit properly allocated in 2019 to the Investor Member is more than $406,595 plus the amount of any Credit Excess allocable to such year (the amount of such differential shall hereinafter be referred to as "First Year Increase"), then there shall be an increase in the Investor Member's Capital Contribution in an amount equal to the sum of (A) the product of (a) $0.40 and (b) First Year Increase (the "First Year Upward Adjustment Amount"). The Investor Member shall pay the First Year Upward Adjustment Amount to the Company as a Capital Contribution within fifteen business days of the later of (A) Stabilization or receipt of Forms 8609, (B) thirty (30) days after the Investor Member's receipt of the final Company tax return for 2019, including Schedule K-1 or (C) the Managing Member's certification that the representations and warranties set forth in Sections 6.09 and 6.10 remain materially true and correct as of the date of the Investor Member's contribution of the First Year Upward Adjustment Amount and there is no default by the Managing Member or amounts owed the Investor Member under this Agreement or the Guaranty.

If (i) the conditions for making the Capital Contributions set forth above have been satisfied, and (ii) the actual amount of Federal Historic Rehabilitation Credits (determined by

reference to the Basis Certification) exceeds the projected amount of Federal Historic Rehabilitation Credits (determined by reference to Section 3.06(a) hereof) (the amount of any such excess being hereinafter referred to as the "Federal Historic Rehabilitation Credit Excess"), then there shall be an increase in the Investor Member's Capital Contribution in an amount equal to the product of the Credit Excess and $0.965 (the "Federal Historic Rehabilitation Credit Upward Adjustment Amount"). The Investor Member shall pay the Federal Historic Rehabilitation Credit Upward Adjustment Amount to the Company as a Capital Contribution within fifteen business days of the later of (A) Stabilization or (B) the Administrative Member's certification that the representations and warranties set forth in Sections 6.09 and 6.10 remain true and correct as of the date of the Investor Member's contribution of the Federal Historic Rehabilitation Credit Upward Adjustment Amount and there is no default by the Managing Member or the Administrative Member or amounts owed the Investor Member under the Agreement or Guaranty.

In no event shall the sum of the Upward Adjustment Amount, the First Year Upward Adjustment Amount, the Federal Historic Rehabilitation Credit Upward Adjustment Amount, and the Federal HTC Upward Adjuster (defined below) in the aggregate exceed $1,000,000.

For purposes of this subsection, the State Credit Member shall make a similar adjuster as the Investor Member to the extent that the actual Credits or Federal Historic Rehabilitation Credit allocated to the State Credit Member are greater than the amount of Credits or Federal Historic Rehabilitation Credit projected to be allocated to the State Credit Member; and further, the calculation of such adjuster shall be completed in accordance with the same formula as the calculation for the Investor Member adjuster and applied or paid on the same terms

The State Credit Member shall have the obligation to contribute to the Company the aggregate amount of $2,497,777, subject to the terms and conditions described herein. The State

Credit Member contributions are due and payable at the time of the corresponding Investor Member contributions, evidenced by receipt and approval by the State Credit Member of copies of all documentation provided to the Investor Member and Special Member pursuant to the requirements set forth above, and receipt by the State Credit Member of evidence satisfactory to the State Credit Member that all conditions precedent to such installment have been met and the Investor Member is prepared to make its required Capital Contribution in accordance with this Section simultaneously with the State Credit Member, and shall be in amounts set forth below: (a) $161,768 shall be payable on a "draw" basis as is provided above upon satisfaction of all conditions precedent to payment of the Pre-Completion Capital Contribution of the Investor Member and as further approved by the State Credit Member, including State Credit Member's completion of its due diligence to State Credit Member's satisfaction, (b) $176,000 shall be payable on a "draw" basis upon 90% construction completion (as certified by the Architect on AIA Document G702 and G703) (c) $647,111 shall be payable upon Construction Completion, (d) $1,510,191 shall be payable upon Stabilization, and (e) $2,697 shall be payable upon the later of Stabilization or receipt of the Allocation Certificate.

If (i) the conditions for making the Capital Contributions set forth above have been satisfied, (ii) the actual amount of State Credits (determined by reference to the Basis Certification and a complete and executed Allocation Certificate) exceeds the projected amount of State Credits (determined by reference to Section 3.05(a) hereof) for all of the Credit Period (the amount of any such excess being hereinafter referred to as the "State Credit Excess"), and (iii) State Credit Member provides its approval, then there shall be an increase in the State Credit Member's Capital Contribution in an amount equal to the product of the State Credit Excess and $0.655 (the "Upward State Adjustment Amount"). The State Credit Member shall pay the Upward State Adjustment

Amount to the Company as a Capital Contribution within fifteen business days of the later of (A) Stabilization and receipt of the Allocation Certificate or (B) the Managing Member's certification that the representations and warranties set forth in Sections 6.09 and 6.10 remain true and correct as of the date of the State Credit Member's contribution of the Upward State Adjustment Amount and there is no default by the Managing Member or amounts owed the State Credit Member under the Agreement or Guaranty. In no event shall the Upward State Adjustment Amount and the First Year Upward State Adjustment Amount, in the aggregate, exceed 110% of the amount paid for Credits and Federal Historic Rehabilitation Credits.

Except as provided in the Act and in Section 4.03 hereof, after its Capital Contributions shall be fully paid hereunder, neither the Investor Member nor the State Credit Member shall be required to make any additional Capital Contribution to the Company or be liable for any debts, liabilities, contracts or obligations of the Company.

Section 3.04. Default of the Investor Member of State Credit Member.

(a) If the Investor Member (or State Credit Member) does not pay an installment when due and payable pursuant to Section 3.03, the Investor Member (or State Credit Member) will be deemed to be in default under this section.

(b) The Managing Member shall promptly give notice of a default to the defaulting Investor Member (or State Credit Member). A default may be cured by payment to the Company of the installment within 30 days of receipt of the notice of default.

(c) In the event that the defaulting Investor Member (or State Credit Member) does not cure the default, then the Company may, after providing to the defaulting Investor Member (or State Credit Member) notice of the default and any notice required by applicable law, and sell such Interest to a third party (including an existing Member) by

public or private sale at whatever price and on whatever terms are commercially reasonable. Upon such sale of a defaulting Investor Member's (or State Credit Member's) Interest, the Managing Member may admit the purchaser of such Interest as a Member. Upon such an admission, the defaulting Investor Member (or State Credit Member) shall cease to be a Member but shall continue to be liable to the Company to the extent the proceeds of sale of the defaulting Investor Member's (or State Credit Member's) Interest are less than the sum of (i) the unpaid balance of all amounts due at whatever time from the defaulting Investor Member (or State Credit Member) and (ii) all reasonable collection and sales expenses incurred by the Company and/or the Managing Member, including fees and disbursements of counsel.

(d) If any default is not cured prior to the expiration of 30 days after receipt of a notice of default by the defaulting Investor Member (or State Credit Member), the Managing Member may recover from the defaulting Investor Member (or State Credit Member), by all legal remedies available to the Company, the unpaid balance of all sums due from the defaulting Investor Member (or State Credit Member) and all collection expenses reasonably incurred by the Managing Member, including fees and disbursements of counsel to the Managing Member or the Company, as the case may be.

Section 3.05. Credit Adjustment Payments to the Investor Member.

(a) As indicated in Section 6.09(g), it is anticipated that the Company will allocate Credit to the Investor Member in the amount of (i) $406,595 in 2019 (plus the amount of any Credit Excess determined pursuant to Section 3.03 that is allocable to the Investor Member in 2019), (ii) $515,254 (plus an amount equal to 10% of any Credit Excess) (the "Credit Sum") in each of years 2020 through and including 2028, and

(iii) $108,659 in 2029 (plus the amount of any Credit Excess determined pursuant to Section 3.03 that is allocable to the Investor Member in 2029). If at any time on or prior to the Company's filing of Form 1065 with respect to the tax year ending on December 31, 2019 it is determined by the Managing Member or the Investor's Accountants that either (a) fewer Credits are available to the Company than anticipated or (b) the Eligible Basis (as defined in Section 42(d)(1) of the Code) of the Apartment Complex is less than the amount necessary for the Company to allocate to the Investor Member during the Credit Period the aggregate amount of projected Credits as indicated above, then the amount of the Investor Member's Capital Contribution to be paid at Construction Completion and/or Stabilization (in that order) shall be reduced by an amount equal to $0.965 multiplied by the amount by which the projected Credits as indicated above exceed the maximum amount of Credits determined by the Managing Member or the Investor's Accountants to be allocable during the Credit Period to the Investor Member. If the amount of such reduction exceeds the amount of the Investor Member's unpaid Construction Completion, Stabilization, and receipt of 8609s Capital Contributions, then the Managing Member shall make a payment to the Investor Member in an amount equal to such excess. Such payment, if any, shall be made (A) within 10 business days of the earlier of (i) the date on which the Accountants deliver the final version of the Company's 2019 federal income tax return to the Managing Member in which the amount of Credit projected to be claimed is less than the total amount of Credit projected to be allocable as referenced in Section 6.09(g) or (ii) a Final Determination relating to a shortage in Eligible Basis, if applicable. The parties hereto acknowledge that the Investor Member is to be allocated 98.99%, and State Credit Member is to be allocated 1.00% of all Credits. Accordingly, the State Credit Member shall be

entitled to a similar adjuster as the Investor Member to the extent that the actual Credits allocated to the State Credit Member were not equal to the amount of Credits projected to be allocated to the State Credit Member; and further, the calculation of such adjuster shall be completed in accordance with the same formula as the calculation for the Investor Member adjuster and applied or paid on the same terms.

(b) (i) In the event that (A) the Accountants provide the Managing Member with a final version of the Company's federal income tax return for any period which concludes, (B) there is a Final Determination or (C) the Investor's Accountants determine that all or a portion of the Credit expected to be claimed with respect to such current period and/or all or a portion of the Credit claimed with respect to a prior taxable period is disallowed or is subject to recapture pursuant to Section 42(j) of the Code for a reason other than a transfer of membership interests in the Company, or (D) if the amount of any Credit allocated annually in 2020 through 2028 to the Investor Member (as well as the combined amount of Credit allocated to the Investor Member in 2019 and 2029) is less than the Credit Sum (reduced by amounts of Credit as to which adjustments have previously been made pursuant to Section 3.05(a)), then the Managing Member shall make a payment to the Investor Member within 10 business days of the earlier of the Accountants' or the Investor's Accountants' determination (each an "Accountants' Determination") or the Final Determination in an amount equal to the sum of (i) the amount of Credit which was disallowed or recaptured or allocated in an amount less than the Credit Sum (as so reduced) with respect to the current year and all prior applicable periods, plus (ii) the amount of any interest and penalties imposed by the Service solely as a result of the disallowance or recapture of Credit with respect to the Company, plus (iii) an amount, hereinafter referred

to as "Taxes," sufficient to cover, on a grossed-up basis, the federal and state taxes that would be owed by the Investor Member with respect to its receipt or accrual of credit adjustment payments, interest and penalties on the assumption that such amounts are subject to tax at the highest marginal rate applicable to corporations for the year(s) in question (the amount which is payable to the Investor Member with respect to Taxes and credit adjuster amounts attributable to the current taxable period and prior taxable periods is hereinafter referred to as the "Current Adjuster Amount").

(ii) In the event of an Accountants' Determination or Final Determination after Form 1065 has been filed by the Company with respect to the tax year ending December 31, 2019 that all or a portion of the Credit is being reduced by the Accountants or disallowed by the Service due to a reduction in the Eligible Basis (as defined in Section 42(d)(1) of the Code) of the Apartment Complex and that such Credit amounts will also be reduced or disallowed in all subsequent years of the Credit Period, then the Managing Member shall make a payment to the Investor Member in an additional amount (i.e., in addition to the Current Adjuster Amount paid pursuant to Section 3.05(b)(i) hereof) equal to the product of $0.965 times an amount equal to the difference between the aggregate Credit amount initially projected for all subsequent years of the Credit Period (reduced by amounts of Credit as to which adjustments have previously been made pursuant to Section 3.05(a) and/or 3.05(b)(ii) hereof) and the aggregate amount of Credit which will actually be allocable to the Investor Member in all such subsequent years of the Credit Period as a result of the Final Determination or the Accountants' Determination (the amount payable to the Investor Member pursuant

to the foregoing sentence with respect to credit adjuster amounts attributable to subsequent years of the Credit Period is hereinafter referred to as the "Additional Distribution"). Amounts owed to the Investor Member pursuant to this Section 3.05(b)(ii) shall be paid by the Managing Member within 10 business days of the earlier of the Accountants' Determination or the Final Determination.

(iii) In the event, however, of an Accountants' Determination or Final Determination that all or a portion of the Credit is subject to recapture or disallowance for a reason other than a shortage in Eligible Basis, only the Current Adjuster Amount will be paid in the year of such Accountants' Determination or Final Determination, and no Additional Distribution with respect to future years of the Credit Period will be due and payable in the year of such recapture determination; instead, the amount of Credit available for each subsequent year of the Credit Period shall be determined upon the close of each such subsequent year and if, for any such subsequent year, the actual Credit allocable to the Investor Member is less than the Credit Sum (as reduced by the amount of Credit as to which prior payments, if any, have been made pursuant to Section 3.05(a) or 3.05(b)(ii) hereof), then the Managing Member shall make a payment to the Investor Member within 10 business days of the earlier of such determination in an amount equal the amount by which the actual Credit allocable to the Investor Member for such subsequent year is less than the Credit Sum (or, with respect to the last year of the Credit Period, an amount equal to the difference between the Credit Sum and the amount of Credit allocated to the Investor Member in the first year of the Credit Period), as reduced by the amount of Credit as to which prior

payments, if any, have been made pursuant to Section 3.05(a) or 3.05(b)(ii) hereof, plus Taxes.

(iv) In addition to any adjustments or payments otherwise owed pursuant to Section 3.05, if the amount of Credit properly allocated in 2019 to the Investor Member is less than $406,595 (the amount of such differential shall hereinafter be referred to as "First Year Shortfall"), then the amount of the Investor Member's next Capital Contribution shall be reduced by an amount equal to the differential between (a) the First Year Shortfall and (b) the present value as of December 31, 2019 of receiving an amount equal to the First Year Shortfall on December 31, 2029, using a 10% discount rate. If the amount of reduction exceeds the amount of the Investor Member's unpaid Capital Contribution, then the Managing Member shall make a payment to the Investor Member in an amount equal to such difference. Such payment, if any, shall be made within 10 business days of the earlier of (i) the date on which the Accountants deliver the final version of the Company's 2019 federal income tax return to the Managing Member or (ii) a Final Determination.

For purposes of this subsection (b), the State Credit Member shall be entitled to a similar adjuster as the Investor Member to the extent that the actual Credits allocated to the State Credit Member were not equal to the amount of Credits projected to be allocated to the State Credit Member; and further, the calculation of such adjuster shall be completed in accordance with the same formula as the calculation for the Investor member adjuster and applied or paid on the same terms; provided, however, that for purposes of the State Credit Member, the term "Credit

Sum" shall mean $5,205 of Credit (plus an amount equal to 10% of any Credit Excess) in each of years 2020 through 2028.

(c) Any payments required pursuant to Section 3.05 shall constitute the recourse obligation of the Managing Member. Any payments required pursuant to Section 3.05(a) or 3.05(b)(ii) or pursuant to Sections 3.01(b)(i), (iii) and/or (iv) shall be paid in its entirety by the Managing Member to the Investor Member in the form of a Capital Contribution to the Company followed by an immediate return of capital distribution not subject to Section 4.02 to the Investor Member. Any payment required pursuant to Sections 3.05(b)(i), (iii), and/or (iv) shall be paid in its entirety by the Managing Member to the Investor Member, promptly after demand is made therefore, as a payment of damages for breach of warranty, regardless of the reason for the occurrence of such event, and such payment shall not be considered a Capital Contribution, loan or other amount reimbursable to the Managing Member. To the extent that any payment under Section 3.05 is not made on a timely basis, the unpaid amount thereof shall bear interest at a rate equal to the lesser of (i) 10% per annum, compounded monthly, or (ii) the maximum interest rate permitted by law. Under no circumstances shall the payments required under this Section 3.05 be made from the Operating Reserve or the Replacement Reserve established by this Agreement.

(d) [Reserved]

Section 3.06. Federal Historic Rehabilitation Credit Adjustment Payments to the Investor Member and State Credit Member.

(a) As indicated in Section 6.09(h), it is anticipated that the Company will allocate Federal Historic Rehabilitation Credits to the Investor Member in the amount of

$2,903,206 in 2019 and to the State Credit Member in the amount of $29,328 in 2019. If the Accountants should determine or there is a Final Determination at any time that the aggregate amount of Federal Historic Rehabilitation Credits allocated (or allocable) to the Investor Member by the end of year 2019 is less than the $2,903,206 and to the State Credit Member by the end of year 2019 is less than $29,328 as set forth in 6.09(h) or if there is any subsequent reduction, reallocation or recapture of the Federal Historic Rehabilitation Credits allocated to the Investor Member and State Credit Member, then the amount of the Investor Member's Capital Contribution and State Credit Member's Capital Contribution to be paid at Construction Completion and/or Stabilization shall be reduced by an amount equal to the sum of (i) 96.5% of the excess of (A) $2,903,206 (and $29,328 as to the State Credit Member), minus (B) the actual amount of allocable Federal Historic Rehabilitation Credits, plus (ii) the amount of any subsequent reallocation reduction or recapture of Federal Historic Rehabilitation Credits, plus (iii) to the extent any Federal Historic Rehabilitation Credits are allocated to the Investor Member and State Credit Member in 2020 instead of 2019, an amount equal to 7% of the amount of such Federal Historic Rehabilitation Credits allocated to the Investor Member and State Credit Member in 2020, plus (iv) the amount of interest and penalties imposed by the Service as a result of the reallocation, reduction or recapture event, plus (v) Taxes. If the amount of such reduction exceeds the amount of the Investor Member's and State Credit Member's unpaid Construction Completion and Stabilization Capital Contributions, then the Managing Member shall make a payment to the Investor Member and State Credit Member in an amount equal to such excess.

Section 3.07. State Credit Adjustment Payments to the State Credit Member.

(a) As indicated in Section 6.09(g), it is anticipated that the Company will allocate State Credit to the State Credit Member in the amount of $391,667 (as increased by the amount of any State Credit Excess, the "State Credit Sum") in each of years 2019 through and including 2024 (the "State Credit Period"). If at any time on or prior to the Company's filing of Form 1065 with respect to the tax year ending on December 31, 2019 it is determined by the Managing Member or the Accountants that either (a) less State Credits are available to the Company than anticipated or (b) the Eligible Basis (as defined in Section 42(d)(1) of the Code) of the Project is less than the amount necessary for the Company to allocate to the State Credit Member during the State Credit Period the aggregate amount of projected State Credits as indicated above, then the amount of the State Credit Member's Capital Contribution to be paid at Construction Completion and/or Stabilization shall be reduced by an amount equal to $0.655 multiplied by the amount by which the projected State Credits as indicated above exceed the maximum amount of State Credits determined by the Managing Member or the Accountants to be allocable during the State Credit Period to the State Credit Member. If the amount of such reduction exceeds the amount of the State Credit Member's unpaid Construction Completion and Stabilization Capital Contributions, then the Managing Member shall make a payment to the State Credit Member in an amount equal to such excess. Such payment, if any, shall be made within 10 business days of the earlier of (i) the date on which the Allocation Certificate is delivered to the Managing Member or (ii) the date the Accountants deliver the final version of the Company's 2019 federal income tax return to the Managing Member in which the amount of State Credit projected to be claimed is less than the total amount of State Credit projected

to be allocable as referenced in Section 6.09(g) or (iii) the date a Final Determination relating to a shortage in Eligible Basis, if applicable.

(b) (i) In the event that the Accountants provide the Managing Member with a final version of the Company's federal income tax return for any period which concludes, (A) there is a Final Determination or (B) that the Accountants have determined, that all or a portion of the State Credit expected to be claimed with respect to such current period and/or all or a portion of the State Credit claimed with respect to a prior taxable period is disallowed or is subject to recapture for a reason other than a transfer of limited partnership interests in the Company, or if the amount of any State Credit allocated annually in 2019 through 2024 to the State Credit Member is less than the State Credit Sum (reduced by amounts of State Credit as to which adjustments have previously been made pursuant to Section 3.06(a)), then the Managing Member shall make a payment to the State Credit Member within 10 business days of the earlier of the Accountants' determination (the "Accountants' State Determination") or the Final Determination in an amount equal to the sum of (i) the amount of State Credit which was disallowed or recaptured or allocated in an amount less than the State Credit Sum with respect to the current year and all prior applicable periods, plus (ii) the amount of any interest and penalties imposed as a result of the disallowance or recapture of State Credit with respect to the Company ("State Taxes") (the amount which is payable to the State Credit Member with respect to credit adjuster amounts attributable to the current taxable period and prior taxable periods is hereinafter referred to as the "Current State Adjuster Amount").

(ii) In the event of an Accountants' State Determination or Final Determination after Form 1065 has been filed by the Company with respect to the

tax year ending December 31, 2019 that all or a portion of the State Credit is being reduced or disallowed due to a reduction in the Eligible Basis (as defined in Section 42(d)(1) of the Code) of the Project or is disallowed or recaptured for any other reason and that such State Credit amounts will also be reduced or disallowed in all subsequent years of the State Credit Period, then the Managing Member shall make a payment to the State Credit Member in an additional amount (i.e., in addition to the Current State Adjuster Amount paid pursuant to Section 3.06(b)(i) hereof) equal to the product of the amount of State Credit which was disallowed or recaptured or allocated in an amount less than the State Credit Sum with respect to the current year and all subsequent years of the State Credit Period (reduced by amounts of the State Credit as to which adjustments have previously been made pursuant to Section 3.07(a) and/or 3.07(b)(ii) hereof), plus (ii) the amount of any interest and penalties imposed as a result of the disallowance or recapture of State Credit with respect to the Company. Amounts owed to the State Credit Member pursuant to this Section 3.07(b)(ii) shall be paid by the Managing Member within 10 business days of the earlier of the Accountants' State Determination or the Final Determination.

(iii) In addition to any adjustments or payments otherwise owed pursuant to Section 3.07, if the amount of State Credit properly allocated in 2019 to the State Credit Member is less than $391,667 (the amount of such differential shall hereinafter be referred to as "First Year State Shortfall"), then the amount of the State Credit Member's Capital Contribution to be paid at Stabilization shall be reduced by an amount equal to the differential between (a) the First Year State

Shortfall and (b) the present value as of December 31, 2019 of receiving an amount equal to the First Year Shortfall on December 31, 2025, using a 8% discount rate, plus any Taxes (as determined in accordance with Section 3.05(b)(i) owed by the State Credit Member. If the amount of reductions set forth above exceed the amount of the State Credit Member's unpaid Stabilization Capital Contribution, then the Managing Member shall make a payment to the State Credit Member in an amount equal to such difference. Such payment, if any, shall be made within 10 business days of the earlier of (i) the date on which the Accountants deliver the final version of the Company's 2019 federal income tax return to the Managing Member or (ii) a Final Determination.

Any payments required pursuant to Section 3.07 shall constitute the recourse obligation of the Managing Member. Any payments required pursuant to Section 3.07 shall be paid in its entirety by the Managing Member to the State Credit Member in the form of a Capital Contribution to the Company followed by an immediate return-of-capital distribution not subject to Section 4.02 to the State Credit Member. To the extent that any payment under Section 3.07 is not made on a timely basis, the unpaid amount thereof shall bear interest at a rate equal to the lesser of (i) 10% per annum, compounded monthly, or (ii) the maximum interest rate permitted by law. Under no circumstances shall the payments required under this Section 3.07 be made from the Operating Reserve or the Replacement Reserve established by this Agreement

Section 3.08. State Historic Rehabilitation Tax Credit Adjustment Payments to the State Credit Member.

(a) As indicated in Section 6.09(i), it is anticipated that the Company will allocate State Historic Rehabilitation Credits to the State Credit Member in the amount of

$1,000,000 in 2019. If the Accountants should determine or there is a Final Determination at any time that the aggregate amount of State Historic Rehabilitation Credits allocated (or allocable) to the State Credit Member by the end of year 2019 is less than the $1,000,000 set forth in 6.09(i) or if there is any subsequent reduction, reallocation or recapture of the State Historic Rehabilitation Credits allocated to the State Credit Member, then the amount of the State Credit Member's Capital Contribution to be paid at Construction Completion and/or Stabilization shall be reduced by an amount equal to the sum of (i) 88% of the excess of (A) $1,000,000, minus (B) the actual amount of allocable State Historic Rehabilitation Credits (irrespective of the year in which they are allocable), plus (ii) the amount of any subsequent reallocation reduction or recapture of State Historic Rehabilitation Credits, plus (iii) to the extent any State Historic Rehabilitation Credits are allocated to the State Credit Member in 2020 instead of 2019, an amount equal to 7% of the amount of such State Historic Rehabilitation Credits allocated to the State Credit Member in 2020, plus (iv) the amount of interest and penalties imposed by the Service as a result of the reallocation, reduction or recapture event, plus (v) Taxes. If the amount of such reduction exceeds the amount of the State Credit Member's unpaid Construction Completion and Stabilization Capital Contributions, then the Managing Member shall make a payment to the Investor Member in an amount equal to such excess

Section 3.09. No Interest on Capital Contribution; Return of Capital. Except as provided in Sections 3.05, 3.06, 3.07, and 3.08, no Member shall be entitled to receive any interest on its Capital Contribution. Except as provided in Sections 3.05, 3.06, 3.07, and 3.08, or as otherwise specifically provided elsewhere herein, no Member shall have the right to withdraw its Capital Contribution or to demand and receive property of the Company in return for its Capital

Contribution, nor shall any Member have any right to demand or receive property other than money upon dissolution and termination of the Company. Each Member shall look solely to the assets of the Company for all distributions and allocations of Profits or Losses and shall have no recourse therefor (upon dissolution or otherwise) against any other Member.

Section 3.10. No Third-party Beneficiary. None of the provisions of this Agreement, including, without limitation, Sections 3.04, 3.05, 3.06, 3.07, 3.08, and 6.11, shall be construed as existing for the benefit of any creditor of the Company or for the benefit of any creditor of any of the Members, and no such provision shall be enforceable by a party not a signatory to this Agreement.

ARTICLE IV

PROFITS AND LOSSES; DISTRIBUTIONS; CAPITAL ACCOUNTS

Section 4.01. Profits, Losses and Credits.

(a) Subject to Section 4.04 hereof, all Profits, Losses, Federal Historic Rehabilitation Credits and Credits incurred or accrued after the Admission Date, other than those arising from a Capital Event, shall be allocated 98.99% to the Investor Member, 1% to the State Credit Member, 0.005% to the Class B Special Member and 0.005% to the Managing Member.

(b) Subject to Section 4.04 hereof, all Profits and Losses arising from a Capital Event shall be allocated among the Members as follows:

As to Profits:

(i) First, an amount of Profit shall be allocated to the Members who have negative Capital Account balances (prior to taking into account the Capital Transaction event) in proportion to the amount of such balances until all such Capital Accounts shall have a zero balance; and

(ii) Second, thereafter, Profits shall be allocated among the Members as if (and in the same proportions as) such Profits were Net Proceeds distributable among the Members in accordance with Section 4.02(b)(ix) hereof.

As to Losses:

(iii) First, to the extent that any Profits have been allocated to the Members pursuant to Section 4.01(b)(ii) above, Losses in an amount equal to such Profits shall be allocated to such Members;

(iv) Second, an amount of Losses equal to the aggregate positive balances (if any) in the Capital Accounts of all Members then having positive balance Capital Accounts shall be allocated to such Members in proportion to their positive Capital Account balances until all such Capital Accounts shall have a zero balance; provided, however, that if the amount of Losses to be allocated is less than the sum of the positive balances in the Capital Accounts of those Members having positive balances in their Capital Accounts, then such Losses shall be allocated first to any Managing Member with a positive Capital Account until its Capital Account has a zero balance, with any remainder allocated to the Investor Members; and

(v) Third, the balance of any such Losses shall be allocated 0.005% to the Managing Member, 0.005% to the Class B Special Member, 1.00% to the State Credit Member, and 98.99% to the Investor Member.

(c) The State Credits shall be allocated and distributed 100% to the State Credit Member. In the event there occurs a State Credit and/or State Rehabilitation Tax Credit recapture event, then State Credits shall be recaptured by the Members who originally

claimed said State Credits and/or State Rehabilitation Tax Credit, in proportion to the ratio in which such recaptured State Credits were claimed. The State Historic Rehabilitation Tax Credit shall be allocated 100% to the State Credit Member.

Section 4.02. Cash Distributions Prior to Dissolution.

(a) ***Cash Flow***. Provided that all reserves have been funded (including the replenishment of the Replacement Reserve), maintained and replenished as required by Section 6.10 hereof, Cash Flow, if available with respect to any Company Accounting Year, shall be applied or distributed annually, within 60 days after the end of the Company Accounting Year (but in no event earlier than the filing of a Company tax return for such year), as follows:

(i) First, to the payment of interest only on the Second Mortgage Loan;

(ii) Second, to pay in full any unpaid Compliance Monitoring Fee to Midwest Housing Equity Group, Inc. and to pay in full any unpaid State Compliance Monitoring Fee to the State Credit Member, pari passu in proportion to the amounts contributed by each;

(iii) Third, to the repayment of any amounts loaned by the Investor Member or by Midwest Housing Equity Group, Inc., to the Company to cover any Operating Deficits;

(iv) Fourth, to the Investor Member and/or State Credit Member, as applicable and pari passu in proportion to the amounts owed to each, to the extent of any unpaid amounts due it pursuant to Sections 3.05, 3.06, 3.07, 3.08 or any other provision of this Agreement;

(v) Fifth, the funding of the Operating Deficit Reserve Account to the extent disbursements have been made therefrom, and then to the payment of any Operating Deficit Loans made by the Managing Member;

(vi) Sixth, to the payment of the SCL Health Loan as provided in the SCL Health Loan documents;

(vii) Seventh, to the payment of the Deferred Developer Fee;

(viii) Eighth, to the payment of the Second Mortgage Loan up to $19,650;

(ix) Ninth, 50% of the remaining balance, if any, to payment of the SCL Health Loan (such payment reduced by the amount of interest paid in 4.02(a)(iv), then to the Seller Loan (first to accrued interest and then to accrued principal), then any remaining balance to the Ground Lease;

(x) Tenth, 10% of the remaining balance, if any, to the Investor Member;

(xi) Eleventh, beginning the fifth full year after placement in service of the Apartments Complex, to the payment of the Incentive Management Fee (not to exceed 12% of Gross Rent Receipts in any year); and

(xii) Twelfth, the balance (A) until the year following the end of the Federal Historic Rehabilitation Tax Credit recapture period under Code Section 50, 98.99% to the Investor Member, 0.005% to the Managing Member, 0.005% to the Class B Special Member, and 1.00% to the State Credit Member, and (B) thereafter, 90.005% to the Managing Member, 0.005% to the Class B Special Member, 1.00% to the State Credit Member, and 8.99% to the Investor Member.

(b) ***Distributions of Net Proceeds***. Prior to dissolution of the Company, if the Managing Member shall determine from time to time that Net Proceeds are available for distribution from a Capital Event, such Net Proceeds shall be applied or distributed as follows:

(i) First, to the payment of the Second Mortgage Loan;

(ii) Second, to pay in full any unpaid Compliance Monitoring Fee to Midwest Housing Equity Group, Inc. and to pay in full any unpaid State Compliance Monitoring Fee to the State Credit Member, pari passu in proportion to the amounts contributed by each

(iii) Third, to the repayment of any amounts loaned by the Investor Member or by Midwest Housing Equity Group, Inc., to the Company to cover any Operating Deficits;

(iv) Fourth, to the Investor Member and/or State Credit Member, as applicable and pari passu in proportion to the amounts owed to each, to the extent of any unpaid amounts due it pursuant to Sections 3.05, 3.06, 3.07, 3.08 or any other provision of this Agreement;

(v) Fifth, to fund reserves for liabilities to the extent deemed reasonable by the Managing Member;

(vi) Sixth, to the payment of the Deferred Developer Fee then to the payment of any Operating Deficit Loans made by the Managing Member;

(vii) Seventh, to payment of the SCL Health Loan, then to payment of the Seller Loan;

(viii) Eighth, to the payment of any Disposition Fee owed pursuant to Section 7.05; and

(ix) Ninth, the balance 90% to the Managing Member, 0.005% to the Class B Special Member, 8.99% to the Investor Member, 1.00% to the State Credit Member, and 0.005% to the Special Member.

Section 4.03. Termination Distributions. Upon liquidation of the Company, after payment of, or adequate provision for, the debts and obligations of the Company, including fees and interest owed to the Members (including as a fee for this purpose the amounts, if any, owed pursuant to Section 3.05, the payment of which pursuant to this Section shall not result in a charge to the recipient's Capital Account and the parties hereto agree that such amounts shall be paid prior to the payment of any debts, obligations and/or fees owed to the Class B Special Member and/or the Managing Member or any Affiliate thereof), the remaining assets of the Company (or the proceeds of sales or other dispositions in liquidation of the Company Assets, as may be determined by the remaining or surviving Managing Member) shall be distributed pro rata to the Members in accordance with their respective positive Capital Account balances after taking into account all Capital Account adjustments for the year. Upon the liquidation of the Company, no Investor Member or State Credit Member shall be obligated to restore any deficit balance in its Capital Account. The parties hereto agree that the Investor Member shall have the right (exercisable in its sole discretion) at any time, upon giving written notice to the Managing Member, to create or extend 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. Deficit Capital Account restoration payments and all liquidating distributions shall be made by the end of such taxable year (or, if later, within 90 days after the date of such liquidation) and shall, upon liquidation of the Company, be paid to

recourse creditors of the Company, or distributed to other Members in accordance with the positive balances in their Capital Accounts.

Section 4.04. Special Allocations. Notwithstanding anything to the contrary contained in this Agreement:

(a) In the event that there is a net decrease in partnership minimum gain (as defined in Regulation § 1.704-2(d)) during a fiscal year or period, all Members shall be allocated, before any other allocation is made of the Company items for such year or period, items of income and gain for such year or period (and, if necessary, subsequent years) in the manner and to the extent required by Regulation § 1.704-2(f). The allocations contained in this Section 4.04(a) are intended to be a "minimum gain chargeback" within the meaning of Regulation § 1.704-2(f) and shall be interpreted consistently therewith.

(b) Subject to the provisions of paragraph (a) of this Section 4.04, (i) any partner nonrecourse deduction (as defined in Regulation § 1.704-2(i)(2)) shall be allocated in the manner specified in Regulation § 1.704-2(i) and (ii) if there is a net decrease during a taxable year of the Company in the minimum gain attributable to partner nonrecourse debt, then items of Company income and gain for such year (and, if necessary, for subsequent years) shall be allocated in the manner and to the extent required by Regulation § 1.704-2(i)(4).

(c) Subject to the provisions of paragraphs (a) and (b) of this Section 4.04, in the event that a Member unexpectedly receives any adjustments, allocations or distributions described in Regulation § 1.704-1(b)(2)(ii)(d)(4), (5) or (6) as a result of which the negative Capital Account balance of the Member exceeds the sum of such Member's share of minimum gain and the amount of its negative Capital Account that it has agreed to restore

or is deemed to be obligated to restore pursuant to Regulation §§ 1.704-2(g)(1) and 1.704-2(i)(5), items of Company income and gain shall be specially allocated to such Member in the manner and to the extent required by such Regulation. This Section 4.04(c) is intended to be a "qualified income offset" within the meaning of Section 1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(d) (i) If the balance in the Capital Account of a Member is less than zero, net loss shall be allocated to such Member only to the extent that (y) the sum of the Minimum Gain of such Member (determined in accordance with the provisions of § 1.704-2(g) of the Regulations) plus the amount of its negative Capital Account that such Member has agreed to restore exceeds (z) the deficit balance in the Capital Account of such Member (determined at the end of the Company Taxable Year to which the allocation relates).

(ii) Any net loss not allocable to a Member as a result of the application of Section 4.04(d)(i) hereof shall be allocated to the Managing Member, excluding any additional Managing Member admitted pursuant to Section 8.04.

(iii) If, during any year, a portion of Company Loss arises from expenses paid or to be paid with the proceeds of Capital Contributions or Operating Deficit Loans from a Managing Member, from withdrawals from reserves, or from amounts paid by a Guarantor pursuant to the Guaranty, then, at the end of each such year, the Investor Member's Capital Account and allocable share of Minimum Gain at the end of each year from the date of calculation through the end of the Credit Period shall be calculated. If such calculation indicates that the

Investor Member would have an adjusted Capital Account deficit in any such year in the Credit Period in excess of the sum of the Investor Member's share of Minimum Gain (determined in accordance with the provisions of Regulation § 1.704-2(g)) plus the amount of its negative Capital Account (if any) that the Investor Member has agreed to restore, then the portion of the Loss derived from the expenses described in the first sentence of this Section 4.04(d)(iii) shall be allocated to the Managing Member to extent of the projected excess adjusted Capital Account deficit of the Investor Member.

(e) In the event that, at any time or from time to time after the effective date of this Agreement, the Gross Asset Values of the Company Assets are adjusted in accordance with this Agreement, then, notwithstanding the provisions of Section 4.01(b) hereof, the Members' allocable shares of depreciation, depletion, amortization and gain or loss, as computed for tax purposes, with respect to the Company property, must be determined so as to take into account the variation between the adjusted tax basis of the Company property and the book value, in the same manner as under I.R.C. § 704(c) and the applicable Regulations thereunder. Allocations pursuant to this paragraph (e) shall be solely for purposes of federal, state and local taxes and shall not affect or in any way be taken into account in computing a Member's Capital Account.

(f) If an Interest is transferred or assigned during a Company Accounting Year, that part of the tax incidents allocated pursuant to this Article IV with respect to the Interest so transferred shall, in the discretion of the Managing Member (after consulting with the Investor Member), either (i) be based on segmentation of the taxable year between the transferor and the transferee using the interim closing of the books or any other reasonable

method or (ii) be allocated between the transferor and the transferee in proportion to the number of days in such taxable year during which each owned such Interest, as disclosed on the Company's books and records.

(g) Any depreciation recapture recognized pursuant to I.R.C. Sections 1245 and 1250 and Credit recapture shall be allocated to the Members in the same proportions that the depreciation or cost recovery deductions and Credits giving rise to such recapture were allocated among such Members or their respective predecessors-in-interest. Commencing in the fifth full year after placement in service of the Apartment Complex, any taxable income of the Company resulting from its receipt of debt forgiveness, debt modification, donations, contributions, grants or subsidies shall be allocated entirely to the Managing Member. Notwithstanding the foregoing, the Managing Member shall indemnify the Investor Member on an after-tax basis for any loss resulting from a modification of the Seller Loan documents, which shall not be treated as an allocation. In addition, if at any time the Company is treated as receiving income or gain from any deemed sale or similar transaction with respect to the State Historic Rehabilitation Tax Credit, 100% of such income or gain shall be allocated to the Managing Member.

(h) In the event that there is a determination that I.R.C. § 483 or I.R.C. § 1274 (both relating to imputed interest with respect to deferred payment sales of property) is applicable to any loans between the Company and a Member, or that any loan between a Member and the Company is subject to I.R.C. § 7872 (relating to imputed interest with respect to below-market interest rate loans), any income or deduction attributable to interest on such a loan (whether stated or unstated) shall be allocated solely to such Member.

(i) It is the intent of the Members that each Member's allocable share of income, gains, losses, deductions or credits (or items thereof) shall be allocated in accordance with this Article IV to the fullest extent permitted by I.R.C. Sections 704(b) and 704(c). In order to preserve and protect the allocations provided for in this Article IV, without adversely affecting the amounts distributable upon termination of the Company, the Managing Member, with the review of the Company's Accountants or tax advisors, is authorized and directed, in its reasonable judgment, to allocate income, gains, losses, deductions or credits (or items thereof) arising in any year differently than otherwise provided for in this Article IV if, and to the extent that, the allocations otherwise provided under this Article IV would not be permissible under I.R.C. Sections 704(b) and/or 704(c). Any allocation made pursuant to this Section 4.04(i) shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article IV, and no amendment of this Agreement or approval of any Member shall be required with respect thereto and each Member shall, for all purposes and in all respects, be deemed to have approved any such allocation. The allocations set forth in this Section 4.04 (the "Special Allocations") are intended to comply with certain requirements of the Section 704 Regulations. The Special Allocations may not be consistent with the manner in which the Members intend to divide Company distributions. Accordingly, the Managing Member is hereby authorized and directed to divide other allocations of income, gain, loss and deductions among the Members so as to prevent the Special Allocations from distorting the manner in which Company distributions will be divided among the Members on dissolution of the Company. In general, the Members anticipate that this will be accomplished by specially allocating items of income, gain, loss, and deduction among the Members so that the net amount of

the Special Allocations and such special allocations to each such Member is zero. In the event that in any year a Special Allocation alters the allocation of tax items to the Members, to the extent possible, depreciation deductions shall nevertheless be allocated 98.99% to the Investor Member, 1.00% to the State Credit Member, 0.005% to the Class B Special Member and 0.005% to the Managing Member.

(j) Notwithstanding anything to the contrary contained herein, the Class B Special Member shall be allocated not less than nor more than 0.005% and Managing Member shall be allocated not less than 0.005% of each material item of Company income, gain, loss, deduction and credit ("Company Items") at all times during the existence of the Company. Subject to the foregoing, in the event that there is no allocation of a material Company Item to the Class B Special Member or Managing Member hereunder or if the amount of any material Company Item allocable to the Class B Special Member or Managing Member hereunder shall not each equal 0.005% of the aggregate amount allocable to all the Members without giving effect to this provision, then the amount of such Company Item(s) otherwise allocable to the Investor Members and the State Credit Member hereunder shall be correspondingly reduced in order to assure the Class B Special Member and Managing Member of their 0.005% share. Any such reduction shall be applied to reduce the shares of all classes of Investor Members and the State Credit Member in proportion to their respective Interests. Notwithstanding the foregoing, all interest expenses from any Operating Deficit Loans from the Managing Member shall be allocated 100% to the Managing Member, and Investor Member shall have the authority to allocate certain loss items to the Managing Member and/or State Credit Member as necessary to preserve allocations.

(k) The Members agree that the Members' Interests in Company profits for purposes of determining such Members' shares of the excess nonrecourse liabilities of the Company under Regulation § 1.752-3(a)(3) shall be 98.99% to the Investor Member, 1.00% to the State Credit Member, 0.005% to the Class B Special Member and 0.005% to the Managing Member.

(l) Any income ("State LIHTC Income") arising from the receipt of the Capital Contribution made by the State Credit Member in connection with its admission as a Member of the Company in a Fiscal Year shall be allocated to the Managing Member for such Fiscal Year. If any State LIHTC Income is allocated to any Member, then the Managing Member shall indemnify, defend, protect and hold harmless any Member which was allocated such income from any and all claims, liabilities, damages, losses, actions, causes of action, suits, penalties, fines, costs and expenses, including, without limitation, investigating and defending any claims and lawsuits and settlement thereof, and legal and accounting costs incurred in connection therewith, which may be made or imposed on such Member by reason of such allocation of income

(m) Notwithstanding anything to the contrary contained in this Article IV (other than allocations contained in (i) Section 4.04(a) containing the minimum gain chargeback, (ii) Section 4.04(c) containing the qualified income offset, and (iii) the provisions prohibiting allocations that would increase an adjusted capital account deficit), the Class B Special Member shall be allocated no more and no less than 0.005% of each items of income, gain, loss, deduction, credit or tax preference at all times during the existence of the Company .

Section 4.05. Section 704(c) Allocations. Income, gains, losses and deductions, as determined for income tax purposes, with respect to any Company Asset contributed by a Member to the capital of the Company shall, solely for income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such Company Asset to the Company for federal income tax purposes and its initial Gross Asset Value in accordance with I.R.C. Section 704(c) and the Regulations thereunder.

Section 4.06. Miscellaneous Allocations.

(a) [Reserved]

(b) Except as otherwise provided in this Article IV, all Profits, Losses, Credits, gain and other tax items allocated to the to the State Credit Member, Investor Members (or the Managing Members) shall be allocated among the to the State Credit Member, Investor Members (or the Managing Members) in accordance with their relative Interests in the Company, as set forth in Schedule A.

(c) Except as otherwise set forth in this Agreement, any elections or other decisions relating to allocations under this Article IV shall be made by the Managing Member (in its reasonable discretion), with the review and concurrence of the Company's Accountants, in such manner as reasonably reflects the purpose and intention of this Agreement.

ARTICLE V

COMPANY BORROWINGS

Section 5.01. Authorization to the Managing Member. Without otherwise limiting the right or authority of the Managing Member under this Article V or Article VI hereof, the Managing Member is specifically authorized to execute on behalf of the Company all documents required by any Lender in connection with the rehabilitation, acquisition or financing of the Apartment

Complex. The Managing Member may upon receipt of the Consent of the Investor Member (and the Consent of the State Credit Member to the extent it is required pursuant to other provisions of this Agreement) exercise the power of attorney granted in Section 13.01 hereof to effectuate the provisions of this Section 5.01.

Section 5.02. Right to Mortgage.

(a) The Company has obtained or will obtain financing for the Apartment Complex from the Lender and will secure the same by execution and delivery of the Mortgage Notes. With the exception of the Construction Loan Documents, the Project Documents shall provide that no Person, including, but not limited to, the Company, any party holding an Interest in the Company, or any of their Affiliates, shall have any personal liability for the payment of all or any part of such Mortgage loans, except as set forth in the Project Documents in existence as of the date hereof.

(b) Subject to the requirements of this Agreement, the Managing Member is specifically authorized to execute such documents as its deems necessary in connection with the acquisition, improvement, operation, leasing and financing of the Apartment Complex, including, without limiting the generality of the foregoing, the Project Documents and any other document required by any Lender in connection therewith; provided, however that any amendment to such financing documents or any additional financing after the date of this Agreement shall require the approval of the State Credit Member.

Section 5.03. Loans. All borrowings by the Company shall be consistent with the terms of this Agreement and the Project Documents. To the extent borrowings are permitted, they may be made from any source, including any Member or an Affiliate thereof. All such loans will be

nonrecourse except as provided in Section 5.02(a), unless the Consent of the Investor Member has been obtained.

Subject to the provisions of this Operating Agreement with respect to related party loans, a limited partner or member (such limited partner or member being referred to herein as the "Mortgagee") in any entity that is a Member of the Company may, at any time, make, guarantee, own, acquire, or otherwise credit enhance, in whole or in part, a loan to the Company secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Apartment Complex (any such loan being referred to as a "Mortgage Loan"). Neither the Company nor any Member, as such, will have any interest in any Mortgage Loan owned by a Mortgagee. Under no circumstances will a Mortgagee be considered to be acting on behalf of or as an agent or the alter ego of such Member. Subject to the restrictions contained in the Mortgage Loan documents (including any side letter agreements with the Company), a Mortgagee may take any actions that the Mortgagee, in its discretion, determines to be advisable in connection with a Mortgage Loan (including in connection with the enforcement of a Mortgage Loan), and the Mortgagee will have no liability to the Company relating to or arising from any such action taken by the Mortgagee. By acquiring an interest in the Company, each Member acknowledges that no Mortgagee owes the Company or any Member any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee being a limited partner or member in a Member. Neither the Company nor any Member will make any claim against a Mortgagee, or against the Member in which the Mortgagee is a partner or member, relating to the Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Company or to any Member based in any way upon the Mortgagee's status as a limited partner or member of a Member.

ARTICLE VI

RIGHTS, POWERS AND OBLIGATIONS OF MANAGING MEMBER

Section 6.01. Exercise of Management.

(a) The overall management and control of the business, assets and affairs of the Company shall be vested in the Managing Member and, subject to the specific limitations and restrictions set forth in this Article VI and in Article VII hereof, the Managing Member, in extension of and not in limitation of the powers given it by law, shall have full, exclusive and complete charge of the management of the business of the Company in accordance with its purposes stated in Section 1.04 hereof. No Investor Member shall take part in the management or control of the business of the Company or have authority to bind the Company.

(b) The Managing Members (if at the time more than one Person constitutes the Managing Member) shall act by vote of a majority in Interest of the Persons constituting the Managing Members, except where otherwise specified herein.

Section 6.02. Powers.

(a) Subject to Section 6.03 and the other provisions of this Agreement, the Managing Member shall have all authority, rights and powers generally conferred by law, including the authority, rights and powers of a manager in a limited liability company under the Act, and shall have all the authority, rights and powers which it deems necessary or appropriate to effect the purposes of the Company, including, without limitation, the following:

(i) To employ, contract and deal with, from time to time, any Persons, including any Member or Affiliate of a Member, in connection with the management and operation of the Company business, on such terms as the

Managing Member shall reasonably determine (subject to the requirement that the Consent of the Investor Member must be obtained (a) for any contract executed or modified after the Closing Date in excess of $20,000 and (b) for any contract executed or modified after the Closing Date with a term in excess of 12 months);

(ii) To acquire, by purchase or otherwise, and deal with such personal property as may be necessary, convenient or incidental to the accomplishment of the purposes of the Company;

(iii) To bring or defend, pay, collect, compromise, arbitrate, resort to legal action, or otherwise adjust claims or demands of or against the Company (provided, however, that the Consent of the Investor Member shall be obtained prior to settlement of any claim or demand in excess of $25,000);

(iv) To pay as a Company expense any and all reasonable costs or expenses associated with the formation, development, organization and operation of the Company;

(v) To deposit, withdraw, invest, pay, retain and distribute the Company's funds in a manner consistent with the provisions of this Agreement;

(vi) To borrow money (and enter into the Project Loans) and issue evidences of indebtedness in furtherance of any or all of the purposes of the Company, and to secure the same by grant of security interests in assets of the Company; provided that any amendment, refinancing or new debt for the Apartment Complex shall require the Consent of the Investor Member and, during the State Credit Period, the State Credit Member;

(vii) To require in any or all Company contracts that the Members shall not have any personal liability thereon but that the Person contracting with the Company shall look solely to the Company and its assets for satisfaction;

(viii) To enter into any kind of activity and to perform and carry out contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of the purposes of, the Company, so long as said activities and contracts may be lawfully carried on or performed by a limited liability company under the laws of the State; and

(ix) To execute, acknowledge and deliver any and all instruments to effectuate the foregoing.

(b) During the Compliance Period, the Managing Member shall (i) operate the Apartment Complex and cause the Management Agent to manage the Apartment Complex in such a manner that all of the residential rental units in the Apartment Complex will qualify as "low-income units" under Section 42(i)(3) of the Code; (ii) operate the Apartment Complex and cause the Management Agent to manage the Apartment Complex in such a manner that the Apartment Complex will qualify as a "qualified low-income housing project" under Section 42(g) of the Code; and (iii) make, or cause to be made, all certifications required by Section 42(l) of the Code. After the expiration of the Compliance Period and until the termination or dissolution of the Company, the Managing Member shall operate the Apartment Complex and cause the Management Agent to operate the Apartment Complex in a manner that the Managing Member determines, in its sole discretion, is consistent with the Extended Use Agreement.

(c) In the event that a claim is made against the Company by the Service or Agency or the Colorado Department of Revenue (a "Claim") upon audit which, if successful, would result in an adjustment to the Capital Contributions of the Investor Members and/or the State Credit Member or a payment obligation pursuant to Section 3.05, 3.06, 3.07, 3.08, or which would affect the amount or timing of State Credits allocated to the State Credit Member, the characterization of the capital contribution of the State Credit Member or its status as a member, the Tax Matters Partner shall, within five business days of receiving notice of such Claim, notify the Investor Members and/or the State Credit Member of the Claim (such notice being referred to as a "Claim Notice") and request that the Investor Member and/or the State Credit Member notify the Company of its intention either to contest such Claim or to accept the same. If the Investor Member elects to contest such Claim, the Managing Member (and to the extent provided by the Code, the Tax Matters Partner) shall take such action in contesting such Claim on behalf of the Company and the Investor Member as it reasonably deems necessary. In such event, all reasonable third party costs and expenses incurred by the Tax Matters Partner in connection with such matter shall be borne by the Company. The failure of the Investor Member or the State Credit Member, within 30 days after the date of the Claim Notice, to notify the Company of their intention to contest such Claim shall be deemed to be a decision to accept the same.

In the event that the Investor Member or the State Credit Member elects to accept such Claim, the Tax Matters Partner may nevertheless contest the Claim. If, following a decision by the Tax Matters Partner to contest a Claim, 50% or more of the deficiency amount specified in the Claim is sustained in a Final Determination or paid in settlement of the Claim, the costs and expenses of contesting the Claim shall be borne solely by the Tax Matters Partner. If such Final

Determination results in less than 50% of the deficiency amount specified in the Claim being upheld, the costs and expenses of contesting the Claim shall be borne by the Company. In no event shall the Company or the Investor Member have the right to enter into any settlement or Final Determination of a Claim which would materially and negatively impact the State Credits available or the State Credit Member, without the Consent of the State Credit Member.

Notwithstanding anything to the contrary contained herein, the Managing Member shall serve as the "partnership representative" under Section 6223 of the Code (as in effect pursuant to the Bipartisan Budget Act of 2015, Pub L. No. 114-74 (the "Bipartisan Budget Act") and Lisa Mullins shall serve as the "designated individual" pursuant to Regulation Section 301.6223-1(b)(3), and the Managing Member shall take any and all action required under the Code or Treasury Regulations, as in effect from time to time, to designate (including on all applicable Company tax returns) itself the "partnership representative" and Lisa Mullins as the "designated individual" unless otherwise directed by the Special Member. Should the Managing Member or "designated individual" be either: (i) removed or resign or no longer have the capacity to act; or (ii) fail to obtain the Consent of the Investor Member or Special Member as required by this Section 6.02(c) or fail to act as directed by the Investor Member or Special Member in accordance with Section 6.02(c), and to the extent permitted by the Code, Managing Member and/or "designated individual" shall take such actions as may be necessary or appropriate to resign as "partnership representative" and/or "designated individual" and to appoint the Special Member or its designee the replacement "partnership representative" and/or "designated individual." If such designated individual resigns, the Managing Member shall designate a replacement designated individual, such replacement to be approved by the Investor Member in its sole discretion. To the extent permitted by the Code and Treasury Regulations, the Managing Member, in its capacity as

"partnership representative" and the "designated individual" shall be bound by the obligations and restrictions imposed on the Tax Matters Partner pursuant to this Section 6.02(c). Upon the promulgation of Treasury Regulations implementing subchapter C of Chapter 63 of the Code (as revised by the Bipartisan Budget Act), the Managing Member will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 6.02(c), while conforming with the applicable provisions of the revised partnership audit procedures. The Managing Member shall cooperate with the Members in good faith to amend this Agreement if the Special Member determines, after consultation with the State Credit Member, that an amendment is required to maintain the intent of the parties with respect to the obligations and limitations of the Tax Matters Partner.

Except as set forth in the following sentence, neither the Tax Matters Partner nor the "partnership representative" nor the "designated individual" shall have the authority to (i) enter into a settlement binding on the Company with the Internal Revenue Service or any other state or local taxing authority without the Consent of the Special Member (and the State Credit Member if it would be materially and negatively affected thereby) or (ii) make elections with respect to the revised partnership audit rules or any Treasury Regulations thereunder without the Consent of the Special Member, after consultation with the State Credit Member. Unless directed otherwise by the Special Member, after consultation with the State Credit Member, and to the extent permitted under the Code and the Treasury Regulations, the Managing Member, Tax Matters Partner, the "designated individual" and/or "partnership representative," as the case may be, shall: (A) if such election is available to the Company, "elect out" pursuant to Section 6221 of the Code or (B) if such "elect out" option is not available, make the "push out" election pursuant to Section 6226 of the Code for the provisions of Subchapter C of Chapter 63 of the Code to not apply to the Company

(for the avoidance of doubt, the Members hereto acknowledge such "push out" election may cause the Members to be responsible for liabilities arising out of any audits with respect to prior years in which they were Members notwithstanding that such Members may have transferred their respective interests prior to the initiation of such audit). The rights and obligations of all of the Members under this Section 6.02 shall survive any sale, exchange, liquidation, retirement or other disposition of such Members' Interests.

Section 6.03. Restrictions on Authority.

(a) Notwithstanding any other provisions of this Agreement, the Managing Member shall have no authority to do any of the following:

(i) Act in violation of law, the Project Documents or this Agreement;

(ii) Do any act required to have the Consent of any Investor Member and/or State Credit Member, as applicable, prior to obtaining such Consent; or

(iii) Borrow from the Company or commingle Company funds with the funds of any other Person.

(b) The Managing Member shall not, without the Consent of the Investor Member (and State Credit Member during the State Credit Period with respect to items (i), (ii), (iii), (vi), (vii), (viii), (ix), (x), (xii), (xiii), (xiv) and (xv) below), have the authority to:

(i) Sell, exchange, transfer or otherwise dispose of all or any part of the Apartment Complex (including any of the land owned or leased by the Company) or all or substantially all of the assets of the Company or any of the Members' Interests in the Company, or purchase, lease or otherwise acquire an interest in, in the Company's name, additional land;

(ii) Increase, decrease or modify the terms (as such terms are set forth in Section 2.01 of this Agreement) of, or refinance or repay (other than in accordance with its scheduled term of amortization), any Project Loan encumbering the Apartment Complex;

(iii) Admit an additional Member (other than the Class B Special Member);

(iv) Except for the Construction Loan or any bad boy guarantees in Project Loans, allow any Member or an Affiliate thereof to become a lender to the Company, or personally liable on or a guarantor of a loan made to the Company unless, based on an opinion of Special Tax Counsel, such loan will not have a material adverse effect on, or cause a material reallocation of Credits or other Company items among, the Members during the Compliance Period;

(v) Approve or authorize any change orders or other amendments to the Construction Contract in excess of $50,000 as to individual items or $1,429,995 in the aggregate;

(vi) Following completion of rehabilitation of the Apartment Complex, construct any new capital improvement which substantially alters the Apartment Complex or its use, except (A) replacements, repairs and remodeling in the ordinary course of business or under emergency conditions, (B) construction or rehabilitation paid for from insurance proceeds or (C) any rehabilitation, repairs, remodeling or construction which is required by any Lender;

(vii) Acquire any real property in the name of the Company in addition to the Apartment Complex (other than easements or similar rights necessary or convenient for the operation of the Apartment Complex);

(viii) Incur (A) non-mortgage debt (other than Operating Deficit Loans) in excess of $10,000 in the aggregate, or (B) any mortgage debt (other than the Project Loans described herein);

(ix) Substantially change the nature of the Company's business;

(x) Voluntarily file a petition in bankruptcy on behalf of the Company;

(xi) Agree to any modification or amendment of the Project Documents (including the Plans) or this Agreement except in accordance with Section 14.03;

(xii) Dissolve or wind up the Company;

(xiii) Consolidate, merge or enter into any form of consolidation with or into any other entity; or permit any entity to consolidate, merge or enter into any form of consolidation with or into the Company;

(xiv) Other than the Construction Loan, pledge or assign any of the Company's rights with respect to all or any portion of the Capital Contribution of the Investor Member or the State Credit Member or the proceeds thereof;

(xv) Guaranty the indebtedness of any Person; or

(xvi) Institute and/or settle any claim in connection with the payment and performance bonds.

Section 6.04. Other Activities. The Managing Member shall be required to devote only so much of its time as it deems necessary for the proper management of the Company business. The Managing Member's Affiliates may engage or possess an interest, independently or with

others, in other businesses or Manager (including limited partnership and/or limited liability companies) of every nature and description, including, without limitation, serving as general partner or managing member of other limited partnership or limited liability companies which own, either directly or through interests in other partnerships or limited liability companies, housing projects similar to or that compete with the Apartment Complex without regard to principles involving usurpation of Company opportunities and without disclosure to the Company. Neither the Company nor any Member shall have any rights by virtue of this Agreement in or to such ventures or the income or profits derived therefrom and nothing shall be construed to render them partners in any such business ventures.

Section 6.05. Liability to Company and Investor Members and Indemnification of Investor Members, State Credit Member and Company.

(a) Except as otherwise provided in this Agreement, the Managing Member shall not be liable, responsible or accountable in damages or otherwise to the State Credit Member or to the Investor Member or to the Company for any acts performed in good faith and within the scope of authority of the Managing Member pursuant to this Agreement; provided, however, that a Managing Member shall be liable for violations of laws, acts and/or omissions to the extent attributable to the Managing Member's fraud, willful misconduct or gross negligence and for any breach of fiduciary duty and/or breach of the Managing Member's representations, warranties or obligations under this Agreement, including, without limitation, those representations, warranties and obligations under Sections 3.05, 3.06, 3.07, 3.08, 6.10 and 6.11 of this Agreement.

(b) The Managing Member shall indemnify, defend and hold harmless each of the Investor Members, the State Credit Member and the Company (and the Company shall

indemnify, defend and hold harmless the Investor Members and State Credit Member) from and against any loss, liability, damage, cost or expense (including reasonable attorney's fees) to the extent that (i) such Managing Member's acts and/or omissions constituted a violation of law, fraud, willful misconduct or gross negligence; (ii) such Managing Member breached its fiduciary duty or any obligation under this Agreement and such breach had a material adverse effect on the Company, the State Credit Member or any Investor Member; (iii) such Managing Member breached in a material way any of the representations or warranties set forth in Section 6.09 or the covenants set forth in Section 6.10 hereof, or failed to make any payment required under Section 3.05, 3.06, 3.07 or 3.08 hereof, which breach had a material adverse effect on the Company, the State Credit Member or on any Investor Member, or (iv) any Affiliate of the Managing Member caused any loss, liability, damage, cost or expense (including reasonable attorney's fees) as described in subsections (i)–(iii) of this section. In addition, the Managing Member shall indemnify, defend and hold harmless the Investor Member, on an After-Tax Basis, from any loss, liability, damage (including any reduction in the amount or timing of tax benefits), cost or expense (including reasonable attorneys' fees) to the extent that the Investor Member is allocated any income or gain attributable to any receipt, allocation or deemed sale of the State Historic Rehabilitation Tax Credit.

(c) The indemnification rights contained in this Section 6.05 shall survive dissolution of the Company and withdrawal, removal, incompetence, bankruptcy or insolvency of a Managing Member and shall be cumulative of, and in addition to, any and all rights, remedies and recourses to which any Investor Member and/or the State Credit

Member, as applicable, shall be entitled, whether pursuant to the provisions of this Agreement, at law or in equity.

(d) All rights of the Investor Members and State Credit Member to indemnification shall survive the dissolution of the Company and the insolvency, dissolution or bankruptcy of any Investor Member or the State Credit Member; provided, however, that a claim for indemnification hereunder must be made by or on behalf of the Person seeking such indemnification prior to the time distribution in liquidation of the Company assets is made pursuant to Sections 1.05 and 4.03 hereof.

Section 6.06. Indemnification of Managing Member.

(a) The Company shall indemnify, defend and hold harmless the Managing Member from and against any loss, liability, damage, cost or expense (including reasonable attorney's fees) arising out of or alleged to arise out of any demands, claims, suits, actions or proceedings against the Managing Member, in or as a result of or relating to its capacity, actions or omissions as managing member of the Company, or otherwise concerning the business or affairs of the Company; provided, however, that the acts or omissions of a Managing Member shall not be indemnified hereunder to the extent that the same resulted from gross negligence, fraud, willful misconduct, a breach of fiduciary duty or a breach of its obligations under this Agreement (including, without limitation, a breach of any of the representations or warranties set forth in Section 6.09 or the covenants set forth in Section 6.10 hereof, or failure to make any payment required under Sections 3.05, 3.06, 3.07 or 3.08 hereof) which has an adverse effect on the Company, the State Credit Member or the Investor Member. This indemnification shall be made solely from the assets of the Company, and no Member shall be personally liable therefor.

(b) The indemnification authorized by this Section 6.06 shall include, but not be limited to, payment for (i) an advancement of reasonable attorney's fees or other expenses incurred in connection with any legal proceeding, and (ii) the removal of any liens affecting any property of the indemnitee; provided, however, that the provision of attorney's fees or other expenses and costs shall not be operative if the legal action is initiated by a Investor Member or the State Credit Member of the Company. The indemnification rights contained in this Section 6.06 shall be limited to direct out-of-pocket loss or expense, and shall not include loss or expense such as administrative or overhead expenses of the Managing Member or foregone opportunity costs. The Company shall not pay for any insurance covering liability of the Managing Member for actions or omissions for which indemnification is not permitted hereunder.

(c) The indemnification rights contained in this Section 6.06 shall be cumulative of, and in addition to, any and all rights, remedies and recourses to which the Managing Member (in its capacity as Managing Member) shall be entitled, whether pursuant to the provisions of this Agreement, at law or in equity.

(d) All rights of the Managing Member to indemnification shall survive the dissolution of the Company and the death, retirement, incompetency, insolvency, dissolution or bankruptcy of the Managing Member; provided, however, that a claim for indemnification hereunder must be made by or on behalf of the Person seeking such indemnification prior to the time distribution in liquidation of the Company Assets is made pursuant to Sections 1.05 and 4.03 hereof.

(e) A Managing Member shall not be indemnified for breach by such Managing Member of the representations and warranties set out in Section 6.09 hereof or the

covenants set out in Section 6.10 hereof, and the Managing Member shall return any funds advanced or expended by the Company for defending against such a breach if the Managing Member is determined to be in breach of these obligations.

Section 6.07. Dealing With Affiliates. Except as otherwise provided in this Agreement, the Managing Member may, for, in the name and on behalf of, the Company, enter into agreements or contracts for performance of services for the Company as an independent contractor with the Managing Member or Affiliates thereof, and the Managing Member may obligate the Company to pay compensation for and on account of any such services; provided, however, such compensation and services shall be on terms comparable to those obtainable from qualified third parties in an arm's-length transaction. In no event shall the Company have any employees.

Section 6.08. No Salary Payable to Managing Member. Other than as set forth herein, the Managing Member shall not be paid any salary or other compensation for serving as Managing Member. Notwithstanding the foregoing, the Managing Member shall be entitled to (a) the payment of certain fees for rendering services to the Company and (b) reimbursement for other reasonable fees and expenses incurred on behalf of the Company, including costs of insurance, expenses incurred in connection with distributions to and communications with the Investor Members and the State Credit Member and the bookkeeping and clerical work necessary in maintaining relations with the Investor Members and the State Credit Member (including the costs and expenses incurred by the Managing Member or its Affiliates in printing and mailing checks, statements and reports), and any other reasonable expenses which it may incur on behalf of the Company in connection with the Company business.

Section 6.09. Representations and Warranties. The Managing Member hereby represents and warrants (and covenants, as applicable) to the Investor Members, the State Credit

Member and to the Company that the following are true and accurate as of the date hereof (or, as applicable, as of the date(s) on which the representations are restated as being true and accurate as required in Section 3.03 hereof):

(a) The execution and delivery by the Managing Member of this Agreement and the transactions contemplated hereby have been duly authorized by all necessary corporate or other action, and the consummation of any such transactions contemplated hereby with or on behalf of the Company does not constitute a breach or violation of, or a default under, the statutes, regulations, bylaws or other governing instruments of the Managing Member or any agreement by which it or any of its property is bound, nor a violation of any law, administrative regulation or court decree, any of which would have a material adverse effect on the Company.

(b) The Company is a limited liability company, validly existing and in good standing under the laws of the State, is authorized to transact business in the State and has the requisite power to carry on its business, to enter into and perform under the Project Documents, and to carry out the transactions contemplated hereunder, and the Company has complied with all filing requirements necessary to preserve the limited liability of the Investor Member, the State Credit Member, the Class B Special Member and the Special Member.

(c) No Events of Bankruptcy (or events which, in the course of time, would result in an Event of Bankruptcy) have occurred with respect to the Managing Member or any Guarantor (or in the case of a Managing Member or Guarantor that is a partnership or limited liability company, with respect to the general partners(s), managing member or manager(s) of such Managing Member or Guarantor).

(d) During the Company's ownership of the Apartment Complex, the Managing Member shall cause the Company to obtain and maintain in full force and effect with reputable licensed insurers (each insurer must have a rating of A- or better and Financial Size Category VI or greater by Best's Key Rating Guide) such insurance policies in favor of the Company, the Investor Member, and the State Credit Member and the Lender as named insureds as their interests appear satisfying: (i) the insurance requirements set forth in the attached Exhibit D and (ii) the insurance requirements of any Lender. The Managing Member shall not permit the initial occupancy of the first unit of each building in the Apartment Complex until the Special Member, in its reasonable discretion, has confirmed such insurance policies substantially satisfy all required criteria. In addition the Managing Member shall promptly deliver to the Investor Members and the State Credit original certificates of insurance, insurance policies and other insurance information as required in this Agreement and under the Project Documents, all satisfactory to the Investor Member and the State Credit Member, evidencing such insurance and any changes in such insurance or insurers must be approved by the Investor Member and, during the State Credit Period, the State Credit Member and evidenced by replacement certificates of insurance satisfactory to Investor Member and, during the State Credit Period, the State Credit Member. Furthermore, in the event of a casualty or of any damage to or destruction of all or any portion of the Apartment Complex, the Managing Member covenants that the Company shall use all available proceeds to rebuild, repair and restore the Apartment Complex, as soon as reasonably practicable, free and clear from any and all non-Mortgage liens and claims. All required insurance will be and shall be in effect and will be kept in full force and effect during the Company's ownership of the Apartment Complex and each

policy will include a provision requiring the insurance company to notify the Investor Member and State Credit Member in writing 30 days (10 days for cancellation due to nonpayment of premium) prior to the cancellation of any such policy. The Managing Member shall deliver to the Investor Members evidence that all insurance required hereunder has been obtained, continued or replaced with a policy meeting the conditions of this Agreement on or before 15 calendar days prior to any expiration or cancellation of a policy.

(e) Except as disclosed in writing to the Investor Members and the State Credit Member, no litigation, action, investigation, or proceeding is pending or has occurred or, to the Managing Member's knowledge, is threatened against the Managing Member, the Company or the Guarantor (or in the case of a Managing Member or Guarantor that is a partnership or limited liability company, with respect to the general partners(s), managing member or manager(s) of such Managing Member or Guarantor). Furthermore, there is no indictment or threatened indictment of the Managing Member or any Guarantor under any criminal statute, or commencement or threatened commencement of criminal or civil proceedings against the Managing Member or any Guarantor (or in the case of a Managing Member or Guarantor that is a partnership or limited liability company, with respect to the general partner(s), managing member or manager(s) of such Managing Member or Guarantor).

(f) The Project Documents are in full force and effect (except to the extent fully performed in accordance with their respective terms) and no default (or event which, with the giving of notice or the passage of time or both, would constitute a default) has occurred thereunder.

(g) The Application for Credits and State Credits filed by the Company with the Agency remains true and correct in all material respects and in conformance with the requirements of the Agency's qualified allocation plan. The Company has received from the Agency a Determination Letter for 2017 credits in the amount of at least $520,511, and the amount of Credit expected as of the date of this Agreement to be allocated by the Company to the Investor Member is $406,595 for 2019, $515,254 per annum for each of the years 2020 through 2028 (inclusive), and $108,659 for 2029 and to the State Credit Member is $4,107 for 2019, $5,205 per annum for each the years 2020 through 2028 (inclusive), and $1,098 for 2029; the amount of State Credits expected as of the date of this Agreement to be allocated by the Company to the State Credit Member is $391,667 per annum for each of years 2019 through 2024 (inclusive), in each case as increased to the extent of any Credit Excess and State Credit Excess allocable to such years. In each of the foregoing years, the Company shall have executed and recorded an Extended Use Agreement that qualifies as a valid "extended low-income housing commitment" under Code Section 42(h)(6). The Managing Member shall, within 10 days of its receipt, provide the Investor Members and the State Credit Member a copy of (i) the Extended Use Agreement and any Forms 8609 issued to the Company and (ii) any temporary or permanent certificates or permits of occupancy. In addition, the Apartment Complex is located in a "qualified census tract" as defined in Code Section 42(d)(5)(B) and is receiving a 130% boost to its rehabilitation basis. To the best of its knowledge after diligent inquiry, during at least the ten years preceding the Company's acquisition of the Apartment Complex, there was no placement in service of the Apartment Complex within the meaning of Code Section 42(d)(2)(B) and the Company purchased the Apartment Complex from a

party unrelated to it within the meaning of such Code section. Furthermore, during the period in which Park Avenue Uptown, LLC (the "Interim Buyer") owned the property, the property was always unoccupied, was not fit for habitation due to its physical condition, and did not have a certificate of occupancy. Furthermore the Interim Buyer never held the building out for rental, did not claim any depreciation, never received any income from the property and never held the property out for any use, whether for rental or otherwise.

(h) The amount of Federal Historic Rehabilitation Credits expected to be allocated by the Company to the Investor Member in 2019 is $2,903,206 and to the State Credit Member in 2019 is $29,329. The Company has received an approved Part 1 and the Apartment Complex is listed on the National Register of Historic Places (and therefore constitutes a "Certified historic structure" within the meaning of Colo. Rev. Stat. § 39-22-514.5(2)(a)) and has also received a conditionally approved Part 2.

(i) The Company will receive a tax certificate from the appropriate State agency evidencing the State Historic Rehabilitation Credits (the "State Credit Certificate") in the amount of $1,000,000 awarded to the Company, which the Company shall assign, transfer or allocate to the State Credit Member.

(j) The Managing Member has disclosed all material actions with respect to the Company taken by the Managing Member prior to the date hereof.

(k) All material documents relating to the Company and the Apartment Complex have been made available to the Investor Members and the State Credit Member.

(l) The Company has good and marketable leasehold title to the land and fee simple title to the improvements comprising the Apartment Complex free and clear of all material liens, charges, encumbrances, security interests or statutory liens (other than the

Mortgage), which title shall be insured no later than the Closing Date and at all times thereafter by a reputable title insurance company in an amount equal to the sum of the then outstanding debt secured by the Apartment Complex plus the amount of the Investor Members' and the State Credit Member's Capital Contribution obligations, except for those easements, reservations, restrictions or other matters that (i) would not materially adversely affect the Apartment Complex or its contemplated use and for liens for taxes and assessments which are not yet due and payable, and (ii) have been approved by the Investor Member and the State Credit Member.

(m) There are no outstanding loans or advances (excluding, for this purpose, any loans pursuant to Section 6.11) from the Managing Member or its Affiliates to the Company, with the exception of any advances that may be provided prior to the Funding Date subject to Investor Member consent, and the Company has no unsatisfied obligation to make any payments of any kind to the Managing Member or its Affiliates, except as set forth in Article VII hereof.

(n) The Managing Member is not in default in the observance or performance of any provision of this Agreement to be observed or performed by the Managing Member.

(o) The Managing Member has been duly organized, is validly existing and in good standing under the laws of the State and has all requisite power to be a Managing Member and to perform its duties and obligations as contemplated by this Agreement and the Project Documents. Neither the execution and delivery by the Managing Member of this Agreement nor the performance of any of the actions of the Managing Member contemplated hereby has constituted or will constitute a violation of (a) the articles of organization or operating agreement of the Managing Member, (b) any agreement by which

the Managing Member is bound or to which any of its property or assets is subject, or (c) any law, administrative regulation or court decree.

(p) No event has occurred which has caused, and the Managing Member has not acted in any manner which 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) any Investor Member, State Credit Member, Class B Special Member, or Special Member to be liable for Company obligations in excess of its agreed-to Capital Contributions.

(q) The land upon which the Apartment Complex is located is zoned in a manner that provides for operation of the Apartment Complex as a permitted use, and neither the Company nor the Managing Member has knowledge of or has received any notice of any violation with respect to the Apartment Complex of any law, rule, ordinance, regulation, order or judgment of any governmental authority having jurisdiction over the Apartment Complex which would have a material adverse effect on the Apartment Complex or the use, operation or occupancy thereof.

(r) The Apartment Complex is being or will be rehabilitated in a timely manner in conformity with the Project Documents. There is no violation by the Company or the Managing Member of any zoning, environmental or similar regulation applicable to the Apartment Complex which could have a material adverse effect thereon, and the Company has complied with all applicable laws, ordinances and regulations relating to such rehabilitation and use of the Apartment Complex and has obtained (or will obtain when necessary) all permits and licenses necessary for the rehabilitation, use, occupancy and operation of the Apartment Complex. All appropriate public roadways, public utilities,

including sanitary and storm sewers, water, gas and electricity are or will be available and operating properly for each unit in the Apartment Complex at the time of the first occupancy of such unit.

(s) There is and shall be no personal liability of any Investor Member or the State Credit Member for the repayment of the principal of or payment of interest on the Mortgage during its term.

(t) To the best of the knowledge of the Managing Member after diligent inquiry and after appropriate removal, encasement, encapsulation or other corrective action and except to the extent encased or encapsulated in a manner consistent with federal, state or local law and regulations, the Apartment Complex contains, and upon completion of construction will contain, no substance known to be hazardous such as hazardous waste, lead-based paint, asbestos, methane gas, urea formaldehyde insulation, oil, toxic substances, underground storage tanks, polychlorinated biphenyls (PCBs) or radon, and the Managing Member shall take all action necessary to ensure that the Apartment Complex contains no such substances that have not been encased or encapsulated as provided above or otherwise addressed pursuant to satisfactory documentation provided to the Investor Member. To the best of the knowledge of the Managing Member, the Apartment Complex is not affected by the presence of oil, toxic substances or other pollutants that could be a detriment to the Apartment Complex. To the best of the Managing Member's knowledge after diligent inquiry, neither the Company nor the Apartment Complex is (or upon completion will be) in violation of the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Toxic Substance Control Act, Safe Drinking Water Control Act, Comprehensive Environmental Response Compensation and Liability Act or

Occupational Safety and Health Act or any other federal, state or local law or regulation relating to hazardous substances, and the Managing Member shall take all actions within its control necessary to ensure that no such violations occur. Except as disclosed in writing to the Investor Member and the Class B Special Member, neither the Managing Member nor the Company has received any notice from any governmental agency or other source of the existence of any hazardous condition with respect to the Apartment Complex or that the Company, Apartment Complex or land upon which it is located is in violation of any such law and there are no existing, threatening or pending actions against the Apartment Complex or, to the best of the Managing Member's knowledge, against any adjacent property which would have a material adverse effect on the Apartment Complex or the Company's ownership thereof.

(u) All payments and expenses required to be made or incurred in order to complete construction or rehabilitation of the Apartment Complex in conformity with the Project Documents, to fund any reserves hereunder or under any other Project Document required to be funded at or prior to the Construction Completion date and/or to satisfy all requirements under the Project Documents have been or will be paid.

(v) The Apartment Complex is being developed and operated in a manner which satisfies and shall continue to satisfy all restrictions, including tenant income and rent restrictions, applicable to projects generating Credits.

(w) The Apartment Complex is being developed and operated in a manner which satisfies and shall continue to satisfy all requirements under the Fair Housing Act of 1968, as amended.

(x) No consents of any governmental agencies, including without limitation Department of Housing and Urban Development 2530 clearances, are or shall be required in connection with the admission of the Investor Members or the State Credit Member to the Company, except as disclosed by the Company to the Investor Member, the State Credit Member and the Class B Special Member in writing.

(y) In the event the Apartment Complex develops mold or moisture problems, or shows potential therefor, the Managing Member agrees to implement a moisture management and control program for the Apartment Complex (the "Moisture Management Program"), which program shall be approved by the Investor Member in its reasonable discretion, a copy of which is provided to the State Credit Member. The Moisture Management Program shall comply with all applicable requirements set forth in the environmental report or engineering report acquired in connection with the acquisition, construction and/or rehabilitation of the Apartment Complex by the Company.

(z) Managing Member will notify the Investor Member and State Credit Member at least two weeks prior to any ground breaking ceremonies pertaining to the Project and give Investor Member and State Credit Member the recognition provided to any other financing participant in the project

(aa) The Apartment Complex will not contain any commercial space.

(bb) The Managing Member represents and warrants that it and its Affiliates are (i) in compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), including, without limitation, Executive Order 13224, (ii) not on the Specially Designated Nationals and Blocked Persons

List maintained by OFAC, and (iii) not otherwise identified by a government entity or legal authority as a Person with whom a U.S. Person is prohibited from transacting business. "U.S. Person" shall mean any United States citizen, any permanent resident alien, any entity organized under the laws of the United States (including foreign branches), or any person in the United States.

(cc) The Ground Lease is in full force and effect. Landlord has received payment of all required rent and other sums due under the Ground Lease through the Closing Date. Landlord has not issued any notice of default under the Ground Lease that remain uncured and, to the best knowledge of the Managing Member, the Company is not in default under the Ground Lease. The Managing Member is not aware of the occurrence or non-occurrence of any event that, with the giving of notice, the passage of time, or both, would constitute such a default. To the best knowledge of the Managing Member, Landlord is not in default under the Ground Lease and Landlord has no setoffs, defenses, or claims against the Company. There are no mortgages, deeds of trust or other Liens encumbering the Landlord's fee interest in the Apartment Complex.

Section 6.10. Covenants Relating to the Apartment Complex and the Company. The Managing Member shall have the following duties and obligations with respect to the Apartment Complex and the Company, and covenants that:

(a) The Managing Member shall (i) cause the completion of the rehabilitation of the Apartment Complex (A) substantially in accordance with the Construction Contract and the Plans approved by the Lender and the Investor Member and State Credit Member and (B) in accordance with all requirements necessary to obtain any required certificates of occupancy for all of the dwelling units, (ii) cause the rehabilitation of the Apartment

Complex to be completed, in a timely and good and workmanlike manner, free and clear of all mechanics', materialmen's or similar liens and in substantial accordance with the construction schedule approved by the Investor Member and the State Credit Member prior to the Closing Date, (iii) equip the Apartment Complex or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, and (iv) cause all necessary certificates of occupancy for all apartment units in the Apartment Complex to be obtained, all of items (i) through (iv) in accordance with the Project Documents. The Managing Member shall satisfy, or cause to be satisfied, on or prior to Construction Completion, all conditions and requirements necessary for the commencement or continuation of permanent financing under the First Mortgage Loan, the Second Mortgage Loan, the Seller Loan, and the SCL Health Note in the aggregate principal amount of not less than $6,015,000 (and the Managing Member shall contribute to the Company such funds as are necessary to achieve such permanent loan closing or continuation). If the available debt, equity, rental income (provided that rental income may only be used for this purpose if and to the extent of Net Operating Income) or other proceeds are insufficient to (i) acquire and complete the rehabilitation of the Apartment Complex and satisfy all other Construction Completion obligations, as provided in this Section 6.10(a), and (ii) provide for all other payments and expenses required to be made or incurred, not including for this purpose the payment of that portion of the Developer Fee scheduled to be paid prior to or in connection with Construction Completion as indicated in Section 7.02 hereof and including the funding of any reserves required hereunder or under any other Project Document, prior to Construction Completion, the Managing Member shall be responsible for and obligated to pay such

deficiencies and any such payments shall be treated as a Capital Contribution to the Company, except to the extent this would cover operating deficits, which may be paid by an operating deficit loan from Managing Member.

(b) The Apartment Complex will be developed and operated in a manner which satisfies and shall continue to satisfy all restrictions, including tenant income and rent restrictions, applicable to projects generating Credits and State Credits. All requirements shall be met which are necessary to obtain or achieve (i) compliance with the 40-60 "set-aside test" as defined in Section 42(g)(1)(B) of the Code, the "rent restriction" test as defined in Section 42(g)(2) of the Code, and any other requirements necessary for the Apartment Complex to initially qualify, and to continue to qualify, for Credits as to 100% of the residential rental units, (such 100% requirement to be met at and after the end of the first year of the Credit Period) and (ii) issuance of all necessary certificates of occupancy, including all governmental approvals required to permit occupancy of all of the apartment units in the Apartment Complex).

(c) While conducting the business of the Company, it shall not act in any manner which it knows or should have known after due inquiry would (i) cause the termination of the Company for federal income tax purposes without the Consent of the Investor Member, except in the event the Investor Member transfers its interest, (ii) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation, (iii) cause the Company to fail to qualify as a limited liability company under the Act or (iv) cause an Investor Member or the State Credit Member or the Class B Special Member to be liable for Company obligations in excess of its Capital Contributions, provided that the Managing Member shall not be in breach of this Section 6.10(c)(iv) if

such liability is caused by an action or inaction of an Investor Member or the State Credit Member, respectively. The Company will not (A) own or acquire any asset or property other than the Apartment Complex and incidental personal property necessary for the ownership or operation of the Apartment Complex or (B) engage in any other business other than that related to acquiring, owning, constructing and operating the Apartment Complex.

(d) It shall exercise good faith in all activities relating to the conduct of the business of the Company, including the acquisition, operation and maintenance of the Apartment Complex, and shall take no action in its capacity as Managing Member with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company. Further, any Affiliate of the Managing Member providing services to the Company shall also exercise good faith in all activities relating to the conduct of the business of the Company and shall take no action which is not reasonably related to the achievement of the purpose of the Company. In addition, the Managing Member shall investigate and report to Investor Member and State Credit Member all material information it receives with respect to a potential sale or resyndication of the Apartment Complex;

(e) It is exclusively responsible for negotiating and performing all services incident to (i) the Company's acquisition of the Apartment Complex, (ii) the arranging of appropriate zoning and equity and permanent financing with respect to the Apartment Complex (including, but not limited to, reviewing the State's qualified allocation plan, applying for Credits and State Credits and obtaining such marketing and feasibility studies and appraisals as it deems reasonably necessary) and (iii) the 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 Apartment Complex, and it shall promptly take all action that may be necessary or appropriate for the proper development, maintenance and operation of the Apartment Complex 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 Apartment Complex in good working order and condition, reasonable wear and tear excepted, to not commit waste with respect to the Apartment Complex and to promptly repair or replace any damage to the Apartment Complex. In addition, the Managing Member will take all actions necessary or appropriate to prevent any portion of the Apartment Complex from being treated as "tax-exempt use property" as defined in Section 168(h) of the Code.

(f) The Apartment Complex and all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Apartment Complex, as well as (ii) the rents, revenues and profits earned from the operation of the Apartment Complex, will be free and clear of all security interests and encumbrances except for the Project Loans and any additional security agreements (including financing statements) executed in connection with the Project Loans.

(g) The Company will make on a timely basis all tax return and other filings necessary to qualify for the Credits, the Federal Historic Rehabilitation Credits, the State Historic Rehabilitation Credits, and State Credits. In addition, it will execute on behalf of the Company all documents necessary to elect, pursuant to Sections 732, 734, 743 and 754 of the Code, to adjust the basis of the Company's property upon the request of the Investor

Member. The Managing Member shall also obtain the Consent of the Investor Member before the initial Form 8609 is filed with the Service;

(h) It will hire the Accountants and provide them with such information in its possession and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns (and in all events such returns shall be filed with respect to the year of the Investor Member's and the State Credit Member's admission to the Company and each year thereafter). The parties hereto covenant and agree that the Accountants identified in Section 2.01 shall be the accountants for the Company for the purposes of preparing such returns, the audit of the Company and the matters set forth in Section 6.10(g) from the date hereof. The Managing Member and the Company hereby agree, authorize and direct the Accountants to provide contemporaneous copies to the Investor Members and State Credit Member of all tax returns, audits and any other information described in this Article VI or Section 12.06 that the Accountants deliver to the Managing Member or to the Company. The Managing Member agrees and acknowledges that all Company Tax Returns shall be provided to the Investor Member and the State Credit Member for their review and approval within the time frame specified in Section 12.06(a) (and the approval of the Investor Member and the State Credit Member to such draft returns shall be deemed received if no objection is received by the Managing Member prior to the due date for filing such returns with the IRS; provided, however, approval of tax returns by the Investor Member and/or the State Credit Member shall not be treated or construed as a waiver of any of its rights or remedies under any provisions of this Agreement).

(i) It will take all actions necessary to keep in full force and effect the Project Documents, including, without limitation, the Construction Loan Documents, the First Mortgage Loan documents, the Seller Loan documents, and the SCL Health Loan documents and it will not intentionally take any action or intentionally fail to take an action which would result in (a) acceleration of payments owed under any Company loan or (b) a default under the Project Documents. The Managing Member shall provide to each of the Investor Members and the State Credit Member fully executed copies of all construction and permanent loan documents (including, without limitation, the applicable construction or permanent loan note, loan agreement, deed of trust, and all other security agreements, assignments, financing statements, guarantees, agreements certificates and instruments executed in connection with such loan) within thirty days of the applicable loan closing.

(j) It shall furnish to the Investor Members, Class B Special Member, and the State Credit Member within five business days of receipt thereof, a copy of any notice of default or any other notice under the Mortgage or any of the Project Documents (including any loan commitment) given to the Company or to the Managing Member by the Lender, as well as prompt notification of any significant transfer, pay-off or recharacterization of any indebtedness of the Company. It shall also furnish to the Investor Members, the Class B Special Member and the State Credit Member within five business days of execution a copy of all amendments or changes to the articles, bylaws, certificate, partnership agreement, operating agreement or other organizational documents of the Managing Member, Company or any Guarantor (without implying the consent of Investor Member or the State Credit Member to any such amendment or change to any such organizational document). In addition, it shall promptly respond to any reasonable requests or inquiries

made in writing by the Investor Member, the State Credit Member or the Class B Special Member regarding matters affecting the Apartment Complex or the Company.

(k) It will use all reasonable efforts to cause the Apartment Complex to be kept in compliance with all applicable zoning regulations, ordinances, and subdivisional laws, rules, and regulations.

(l) It shall use its best efforts to maintain the Apartment Complex and the land upon which the Apartment Complex is located so that there is no discharge, release, spillage, uncontrolled loss or seepage of any oil, petroleum or chemical liquids or solids, liquid or gaseous products or any hazardous wastes or hazardous substances (as such terms are used in the Comprehensive Environmental Response, Compensation and Liability Act of 1980) which causes a genuine risk to the health or safety of the residents or employees of the Apartment Complex. The Managing Member shall use its best efforts to maintain the Apartment Complex and the land upon which it is located so as not to violate the Clean Air Act, Clean Water Act, Resource Conservation and Recovery Act, Toxic Substance Control Act, Safe Drinking Water Control Act, Comprehensive Environmental Response, Compensation and Liability Act and Occupational Safety and Health Act and other federal, state and local laws and regulations governing hazardous substances. In the event that an Investor Member and/or State Credit Member (or any partner thereof) becomes personally liable for Company violations with respect to the Apartment Complex under any federal, state or local hazardous substance law, the Managing Member shall indemnify and hold harmless the Investor Member (except to the extent attributable to direct actions of such Investor Member) and all partners, members, managers, officers, directors, employees, agents, affiliates and other similar persons of the Investor Member and the State Credit

Member (except to the extent attributable to direct actions of the State Credit Member) and all partners or members of the State Credit Member against any and all costs, expenses (including reasonable attorneys' fees necessarily incurred), damages, or liabilities to the extent that the Investor Member (or any partner thereof) or State Credit Member (or any partner or member thereof) is required to discharge such costs, expenses, damages, or liabilities in whole or in part from any source other than Company resources. The foregoing indemnification shall be a recourse obligation of the Managing Member, and shall survive the dissolution of the Company with respect to violations which occurred prior to death, retirement, incompetency, insolvency, bankruptcy, or withdrawal of the Managing Member against whom the indemnification provided in this paragraph is sought to be enforced.

(m) It shall provide the Investor Members and the State Credit Member with prompt written notice (and with copies of appropriate correspondence) within five business days in the event that the Company receives any writing from the Service, the Agency, or any other party that the Apartment Complex or any portion thereof is not in compliance with the requirements of Code Section 42, Colo. Rev. Stat. § 39-22-2101, et. seq., the Fair Housing Act of 1968 (as amended), or is subject to a Credit recapture event or any other event that could result in an adjustment to the Credits or losses allocable to an Investor Member or is subject to a State Credit recapture event or any other event that could result in an adjustment to the State Credits or losses allocable to the State Credit Member. In addition, it shall promptly provide to the Investor Members and the State Credit Member a copy of the annual certification required to be submitted by the Company to the Agency pursuant to Treas. Reg. § 1.42-5, including a copy of all required reports with respect to

building code violations and the certification with respect to compliance with the Fair Housing Act.

(n) If any of the 49 low-income units in the Apartment Complex fail at any time during the Compliance Period to constitute eligible low-income units or if the Apartment Complex is not in compliance with the requirements contained in Section 42 of the Code, the Managing Member agrees to notify the Investor Members and the State Credit Member within five business days of its knowledge of such event or occurrence and the Managing Member shall promptly commence and diligently prosecute to completion all actions reasonably necessary to bring the dwelling units or the Apartment Complex, as the case may be, into compliance with the requirements of Section 42, such that the Apartment Complex will qualify and continue to qualify for Credits or State Credits during the Compliance Period as projected. On or before the Closing Date, the Managing Member shall execute an Agency release form authorizing the Agency to release copies of any inspection reports, 8823s or any other information issued by the Agency to the Apartment Complex that the Investor Member, in its sole discretion, deems necessary in the event any of the 49 units fail to qualify as low income units under Section 42 of the Code.

(o) The Managing Member shall cause the Company to establish and maintain reasonable reserves to provide for working capital needs, improvements, replacements and any other contingencies of the Company. At a minimum, the Managing Member shall cause the Company to establish and maintain a replacement reserve, to be funded monthly throughout the term of this Agreement, in an amount equal to the annualized amount of $250 per unit (to be increased by 3% each Company Accounting Year beginning in 2020), commencing the month after issuance of a certificate of occupancy (the "Replacement

Reserve"). To the extent the Replacement Reserve is depleted below those levels provided for in Sections (4) and (5) below, then, as set forth in Section 4.02(a) of this Agreement, available Cash Flow up to the amount of any prior withdrawals from the Replacement Reserve shall be used to replenish the Replacement Reserve until it is fully funded before any funds are released to pay the Deferred Development Fee. Replacement Reserve funds shall be placed in a segregated, dual signature account with Citibank, N.A. Requests for disbursement from the Replacement Reserve will be reviewed based upon the following guidelines: (1) The Replacement Reserve shall not be used to fund any Operating Deficits; (2) Any expenses under $500, regardless of cause, shall be paid from operating cash and recorded as an expense and will not be approved for payment from the Replacement Reserve; (3) All single expenses over $500 are eligible for payment from the Replacement Reserve if they can be classified as capitalized expenditures on the GAAP basis of accounting; (4) For properties less than five years old, a minimum of two years reserves must be maintained in the Replacement Reserve; (5) For properties five years and older, a minimum of three years reserves are required, however, this minimum is subject to the overall condition of the property (any Managing Member wanting to deplete the reserves below this level will have to supply a capital needs assessment to the Special Member demonstrating that depleting the Replacement Reserve to the requested level will not put the future of the property at jeopardy (i.e. what is the remaining roof life, the furnace life, etc.)); and (6) No disbursements from the Replacement Reserve will be approved for the first 24 months of operation. The Replacement Reserve shall require the signatures of both the Managing Member and the Special Member, with a copy to the State Credit Member, before any draws can be made therefrom.

(p) In order to meet operating expenses of the Company which exceed operating income available for the payment thereof, the Managing Member shall cause the Company to establish on or before Stabilization a minimum of $158,500 in a segregated operating reserve account maintained for the Compliance Period and deposited with Citibank, N.A. (the "Operating Deficit Reserve Account"). The Operating Deficit Reserve Account shall require the signatures of both the Managing Member and the Special Member, with a copy to the State Credit Member, before draws can be made to meet any excess operating expenses, debt service obligations or other expenses of the Company and shall be replenished from Cash Flow as provided in Section 4.02.

(q) On or prior to the date of Construction Completion, the Managing Member shall cause the Company to establish a rent-up reserve in an amount not less than $70,000. Any unused rent-up reserve funds, after 100% lease-up of the Apartment Complex, shall be placed in the Operating Deficit Reserve Account.

(r) [Reserved]

(s) The advance written approval of the Special Member shall be obtained before issuance or placement of any financing signs naming the Investor Member with respect to the Apartment Complex.

(t) Managing Member shall provide to the Investor Members, Class B Special Member, and the State Credit Member at least fourteen days advance written notice of any ribbon cutting, groundbreaking, project opening or similar ceremony relating to the Apartment Complex, and the Investor Members, Class B Special Member, and State Credit Member shall be entitled to attend any such ceremony and be publicly recognized.

(u) The Managing Member will take all actions to cause the Apartment Complex to comply with the provisions found in Code Sections 47, 48, and 50 and the Treasury Regulations promulgated thereunder and Colo. Rev. Stat. § 39-22-514.5. Furthermore, the Managing Member shall cause the Company to obtain the final Historic Certification and satisfy Colorado state requirements and SHPO guidelines within thirty months of the filing of the Company's 2019 tax return, as required by Treasury Regulation 1.48-12. The Managing Member shall not enter into any sublease of any portion of the Apartment Complex that would cause any portion of the Apartment Complex to be treated as tax-exempt use property under Section 168 of the Code. Qualified Rehabilitation Expenditures with respect to the Apartment Complex incurred during the 24-month period ending on the date the Apartment Complex is placed in service (i) will exceed the aggregate adjusted tax basis of all persons with an ownership interest in the Apartment Complex as of the commencement of that 24-month period or of the holding period of the Apartment Complex, whichever is later, and (ii) on such date, will exceed twenty-five percent (25%) of the original purchase price, less the value attributed to land, as determined in accordance with Colo Rev. Stat. § 39-22-514-5(2)(p). Further, the building in the Apartment Complex will retain 75% of its original external walls in place after the rehabilitation is completed. All Qualified Rehabilitation Expenditures will be depreciated under the straight-line method of depreciation.

Furthermore, Managing Member shall: (i) cause rehabilitation to be completed in accordance with the National Park Service's and State Historic Preservation Office's standards, (ii) satisfy all requirements necessary to for the Company to qualify for State Credits, as provided in Colo. Rev. Stat. § 39-22-2101, et. Seq., (iii) cause the Apartment

Complex to constitute a "qualified commercial structure" as defined in Colo. Rev. Stat. § 39-22-514.5(2)(j); and (iv) deliver the final cost certification to the Colorado Office of Economic Development. The Company shall commence rehabilitation within one year following date the Colorado Office of Economic Development grants a reservation of State Historic Rehabilitation Tax Credits, and the Company shall incur at least 20% of estimated costs as reflected in its application for a reservation of State Historic Rehabilitation Tax Credits within 18 months of the date such reservation is granted, as required pursuant to Colo. Rev. Stat. § 39-22-514.5(8)(a).

(v) Consistent with its Application to the Agency for Credits, the Managing Member agrees that at the end of the 15 year Compliance Period a Right of First Refusal consistent with Code Section 42(i)(7) will be granted to a Qualified Nonprofit Organization (as defined in Code Section 42(h)(5)), selected by the Managing Member with the Consent of the Investor Member, which consent shall not be unreasonably withheld, as provided in that Right of First Refusal Agreement dated of even date herewith.

(w) [Reserved].

(x) [Reserved].

(y) [Reserved]

(z) The fair market value of the Apartment Complex exceeds the total amount of indebtedness, including accrued interest thereon, encumbering the Apartment Complex and is expected to do so throughout the term of such indebtedness, and each of the Project Loans has a fixed maturity date which is prior to the end of the anticipated economic life of the Apartment Complex.

(aa) No Person except the Company has the right to any proceeds, after payment of all indebtedness, from the sale, refinancing or leasing of the Apartment Complex.

(bb) The Company, except to the extent that it is protected by insurance and excluding any risk borne by the Managing Member or any Affiliate or any Lender, bears the sole risk of loss if the Apartment Complex is destroyed or condemned, or if there is diminution in the value of the Apartment Complex.

(cc) The Company has the primary obligation to pay all maintenance and operating costs, including all taxes levied upon, and all insurance costs attributable to, the Apartment Complex.

(dd) The Managing Member is not related in any manner to the Investor Member, the State Credit Member or the Special Member or the Class B Special Member, nor is the Managing Member acting as an agent of the Investor Member, the State Credit Member or the Special Member or the Class B Special Member.

(ee) No Person or entity other than the Company and those Persons holding indirect interests through the Company holds any equity or ownership interest in the Apartment Complex.

(ff) The Managing Member acknowledges that the Investor Member is relying on Lisa Mullins, Gregory D. Glade, and/or Michael L. Gerber (hereinafter, "Key Personnel") to materially participate in the oversight of the activities of the Managing Member and the Company. The Managing Member agrees to provide written notification to the Investor Member within ten (10) business days of any change (including, without limitation, death, disability, resignation or termination) that would materially affect the ability of one or more Key Personnel to so participate. Notwithstanding such notice, if any

such change occurs as to a majority of Key Personnel, then the Special Member shall have the right to remove the Managing Member in accordance with the terms of Section 8.04; provided, however, that the Special Member shall not remove the Managing Member under this paragraph if additional guaranties of Credit adjuster and operating deficit funding are provided to the Investor Member and the State Credit Member from one or more additional guarantors in form and substance satisfactory to the Investor Members in its sole discretion and to the State Credit Member in its sole discretion.

(gg) To the extent that any building in the Apartment Complex is not 100% leased up by December 31 of the calendar year in which such building is placed in service for purposes of Code Section 42, then (unless notified in writing by the Investor Member) the Managing Member shall cause the Company, on Form 8609, to make the election provided for under Code Section 42(f)(1) with respect to such building (as defined taking into account Code Section 42(e)(1)); provided, however, that any such election shall not be made without the prior written notice and approval by the State Credit Member and Investor Member.

(hh) The Managing Member shall cause radon testing to be completed on each building comprising the Apartment Complex at or prior to Construction Completion (provided such testing shall not occur until each such building constitutes a "sealed" building), and shall take all action as is required to ensure that radon levels are within the recommended permitted safe level as determined by the Environmental Protection Agency or any other applicable governmental authority. To the extent that additional funds are required to bring the radon levels within such limits, the Managing Member shall make an additional Capital Contribution to the Company.

(ii) The Managing Member shall not use, nor permit the Management Agent or any other party to use, any Security Deposits to fund Operating Deficits or any other expenses of the Company, the Apartment Complex, or the Management Agent.

(jj) The Agency has determined that the Company satisfies the requirements for Credits under the Agency's qualified allocation plan pursuant to the Application. The Managing Member shall cause the Company to develop the Apartment Complex and manage the Company (including providing or causing to be provided, at the Managing Member's sole cost and expense, all supportive services reflected in the Application, if any) in a manner which is consistent with such determination unless the Agency provides its written consent to any variations from the Application.

(kk) The Managing Member has prepared its own financial analysis of the acquisition, rehabilitation, operation and ownership of the Apartment Complex and is not relying on any financial analysis, projection or forecast prepared by the Investor Member or any Affiliate thereof.

(ll) The Managing Member shall, concurrently with its submission to the Construction Lender, submit to the Special Member and the State Credit Member all construction draw requests along with copies of any exhibits thereto and supporting documentation therefor, including without limitation, any construction inspector's reports. The Special Member and the State Credit Member shall have the right to review and provide comments to such construction draw requests.

(mm) The Managing Member shall disclose to the Investor Members any event that would prevent payment or reduce the amount of the Capital Contribution to be paid when due under this Agreement and, as a condition to the payment of each Capital

Contribution installment, the Managing Member shall furnish evidence satisfactory to Investor Member, with a copy to the State Credit Member, that the undisbursed proceeds of the Capital Contribution, plus the aggregate amount of the Mortgage Loans and any additional sums deposited by the Managing Member, less any deferred fees due the Managing Member or the Contractor, will be sufficient to pay the costs of improvements of the Apartment Complex.

(nn) The Managing Member agrees that (i) the Managing Member shall obtain the prior Consent of the Investor Member (with a copy of any such notice to the State Credit Member) and, if required under the Mortgage Loan documents, the Lenders, prior to making any material change order or material budget adjustment; (ii) the Managing Member shall make Capital Contributions to the Company to pay for any change order or budget increase if either (A) available or to be available Company funds are insufficient to pay for such change order or budget increase (regardless of amount or receipt of prior Consent), or (B) the change order or budget increase is material and the Managing Member has failed to obtain the prior Consent of the Investor Member and the State Credit Member or, if required under any Mortgage Loan documents, any Lender; and (iii) the Managing Member shall, upon demand by the Investor Member, promptly make Capital Contributions to the Company to reimburse the Company for any previously paid material change order or budget increase that has not received the required Consent of the Investor Member and the State Credit Member or any Lender. For purposes of this paragraph, a change order or a budget adjustment shall be material if the same in any single instance equals or exceeds $50,000, or if the budget adjustment or change order, together with all prior budget adjustments or change orders, aggregates a sum exceeding $1,429,995.

(oo) The Managing Member shall investigate and report to the Investor Member all material information it receives with respect to a potential sale or resyndication of the Apartment Complex.

(pp) Taking into account the restrictions on the use of the land and other obligations assumed by the Company in connection with the Apartment Complex, the rent payable under the Ground Lease (including capitalized rent) constitutes fair market rent.

(qq) The parties hereto acknowledge that the bill commonly known as the "Tax Cuts and Jobs Act" (H.R. 1) was passed by the United States Congress on December 20, 2017 ("New Tax Legislation"). The Managing Member shall cooperate with the Investor Member in good faith to amend this Agreement if the Investor Member determines that an amendment is required to maintain the intent of the parties and to mitigate any adverse impact the New Tax Legislation may have on the Investor Member's tax benefits set forth in the projections prepared by the Investor Member. Further, upon the Investor Member's written request, the Managing Member shall make the election under Section 163(j)(7)(B) of the Code to be treated as an "electing real property trade or business"; and provided further, the Managing Member shall not have authority to make elections with respect to the New Tax Legislation or any Treasury Regulations thereunder, including, but not limited to, Section 163(j)(7)(B) of the Code, without the prior Consent of the Investor Member.

Section 6.11. Operating Deficit Loans. If, at any time during the Compliance Period, an Operating Deficit exists, the Managing Member shall fund the Operating Deficit without limitation as to amount through Operating Deficit Loans. All Operating Deficit Loans shall bear interest at a rate equal to 4% per annum and shall be repayable from Cash Flow or Net Proceeds as provided in Article IV. The Managing Member shall be obligated to fund any Operating Deficit through

Operating Deficit Loans prior to the Company drawing on the Operating Deficit Reserve Account, unless the Consent of the Investor Member is first obtained (which Consent shall not be unreasonably withheld with respect to draws that do not reduce the balance of the Operating Deficit Reserve Account below 50% of its initial full funding amount). Further, the Investor Member and the State Credit Member shall each be deemed to be a third-party beneficiary of the Managing Member's obligation to provide Operating Deficit Loans, and shall be entitled to bring a cause of action against the Managing Member and the Guarantor (subject to the limits set forth in the Guaranty) to enforce the provisions of this Section 6.11.

Section 6.12. Obligation to Purchase Interest of Investor Member and State Credit Member.

(a) Notwithstanding any other provision contained herein, if (i) Construction Completion has not been achieved by December 31, 2019; (ii) the Company does not receive State Designation (other than with respect to the 42(m) determination made at such time as IRS Forms 8609 are issued) in 2017, (iii) the IRS Forms 8609 are not issued by the Agency so as to allow the Company to claim Tax Credits for the first year of the Credit Period and/or the Allocation Certificate is not issued so as to allow the Company to claim State Credits for the first year of the State Credit Period or the Apartment Complex is otherwise disqualified from obtaining the Credits and/or State Credits prior to Stabilization (unless the sole reason for the nonissuance is attributable to the Agency, and the Managing Member, as determined by the Investor Member in its sole discretion, continues to take reasonable actions to cause the Agency to issue the Forms 8609 within a reasonable timeframe); (iv) an Extended Use Agreement is not in effect before the end of the first year of the Credit Period and the Company does not satisfy the requirements of Section

42(h)(6)(J); (v) the Company fails to finance more than 50% of the aggregate basis of the Apartment Complex's buildings and land with tax-exempt bonds subject to volume cap pursuant to Code Section 42(h)(4)(B) as finally determined by the Investor's Accountants or pursuant to any audit by the Service; (vi) prior to Construction Completion, any substantial damage to or destruction of the Apartment Complex shall occur and the applicable insurance proceeds shall not be made available by the Lender for the restoration of the Apartment Complex or shall not, in the reasonable opinion of the Investor Member (after consultation with the State Credit Member), be sufficient to repair and restore the Apartment Complex in a manner that would qualify for the aggregate projected Credit allocable to the Investor Member and aggregate projected State Credits allocable to the State Credit Member or the Apartment Complex is not restored within 24 months following such casualty; (vii) prior to Construction Completion, there shall have occurred an Abandonment; (viii) the Apartment Complex is not rehabilitated substantially in accordance with the Construction Contract, the Plans or the Fair Housing Act of 1968 as amended, Part 2, the National Park Service's Standards for Rehabilitation or the State Historic Preservation Office's guidelines; (ix) if the Company has not incurred any Qualified Rehabilitation Expenditures by June 20, 2018 (x) if, prior to placement in service of the Apartment Complex for purposes of claiming Federal Historic Rehabilitation Credits pursuant to Code Section 47, legislation has been enacted that would prevent the Company or its Members from claiming Federal Historic Rehabilitation Credits with respect to the Apartment Complex, then the Managing Member shall be obligated to repurchase the Interest of the Investor Member (which shall include, for this purpose, the Interest of the Special Member) and the State Credit Member for an amount specified in Section 6.12(b)

below; provided, however, that if the Investor Member does not elect to require the Managing Member to purchase the Investor Member's Interest as set forth below, such right to require repurchase shall be void as to the State Credit Member. For purposes of this Agreement, "Abandonment" means the complete abandonment of the Apartment Complex such that all work by all contractors, subcontractors, materialmen, suppliers and any other tradespersons performing any work and supplying any materials or supplies for the Apartment Complex shall have ceased for at least 45 consecutive days, other than force majeure. Furthermore, in the event of any repurchase obligation pursuant to Section 6.12(a)(ix), the Investor Member may, in its sole discretion, elect in writing to not have its Interest repurchased under this Section 6.12 if the Managing Member is able to provide a substitute plan of financing for the Apartment Complex that does not adversely affect the anticipated benefits to the Investor Member or increase the level of financial (including debt service coverage) or compliance risks of the Company during the Compliance Period

(b) If the Managing Member becomes obligated to purchase the Investor Member's and the State Credit Member's Interest as provided in Section 6.12(a), the Managing Member shall immediately give written notice to the Investor Member and State Credit Member of the occurrence of such event and of the Managing Member's obligation to purchase the Investor Member's Interest and the State Credit Member's Interest. By written notice to the Managing Member (regardless of receipt of the Managing Member's notice), the Investor Member may elect to require the Managing Member to purchase the Investor Member's Interest upon the occurrence of an event specified in Section 6.12(a), in which event the State Credit Member's Interest shall also be purchased unless the State Credit Member, in its sole discretion determines otherwise. The amount of the purchase

price (the "Repurchase Buyout Price") shall equal, as of the actual date of purchase, the sum of (A) the aggregate amount of Capital Contributions and advances made by the Investor Member to the Company plus interest thereon equal to 10% from the date of any Capital Contribution until the date of the Investor Member's receipt of the Repurchase Buyout Price, plus (B) the reasonable legal, accounting and internal costs incurred by the Investor Member in connection with its investment in the Company, plus (C) the amount of any interest and penalties imposed (or determined by the Investor's Accountants to likely be imposed) on the Investor Member as a result of such purchase or its prior claiming of Credits with respect to the Company, plus (D) all transfer taxes or similar assessments incurred by the Investor Member in connection with its investment in the Company or the sale of its Interest pursuant to this Agreement, such amount representing the parties' good faith estimate of damages incurred by the Investor Member as reduced by the amount of any Credits allocated to the Investor Member for the period prior to the date of repurchase and not subject to recapture. The buyout price for the State Credit Member shall be calculated in the same manner as the Repurchase Buyout Price, including the 10% interest calculation, if applicable, for the Investor Member set forth in this subparagraph (b).

(c) If the Investor Member and/or State Credit Member elects to have its Interest purchased, the Managing Member shall purchase such Interest for the Buyout Price in cash within 30 days after notice from the Investor Member and/or State Credit Member of its election to have its Interest purchased. Upon receipt of the Buyout Price, the Investor Member and/or State Credit Member shall then transfer (and shall, for no additional consideration, cause the Special Member to transfer) its Interest to the Managing Member or its designee free and clear of any liens, charges, encumbrances or interests of any third

party and shall execute or cause to be executed any documents required to fully transfer such Company Interest. Upon any such transfer by the Investor Member and State Credit Member, the Class B Special Member also agrees to transfer its Interest to the Managing Member free and clear of any liens, changes or encumbrances or interests of any third party in exchange for $100. As of the effective date of its transfer, the Investor Member and Special Member and Class B Special Member shall withdraw from the Partnership and shall have no further interest in or obligation to the Company, and, if required by the Act, the Managing Member shall promptly file an amendment to the Certificate in the Filing Office reflecting the withdrawal of the Investor Member (and the Special Member, the State Credit Member, and the Class B Special Member).

(d) The Investor Member and/or State Credit Member may waive in writing its right to require the Managing Member to purchase its respective Interest by reason of the application of any of the provisions of Section 6.12(a) in writing at any time. After such waiver the Managing Member shall have no further obligation to purchase the Interest of the Investor Member or State Credit Member by reason of the application of the provision to which such waiver relates; provided, however, that the Investor Member's or State Credit Member's election not to respond to notice from the Managing Member by reason of the application of one of the provisions of Section 6.12(a) shall not constitute a waiver with respect to any obligation of the Managing Member to purchase the Investor Member's and/or State Credit Member's Interest by reason of the application of any provision of Section 6.12(a).

ARTICLE VII

PAYMENTS TO MANAGING MEMBER AND AFFILIATES AND OTHERS

Section 7.01. Property Management Fee. Subject to any restrictions set forth in the Project Documents, the Company shall pay to the Management Agent a monthly Management Fee equal to up to 5% of Gross Rent Receipts for the preceding month, for its services in managing the Apartment Complex.

Section 7.02. Developer Fee. For services rendered in connection with the Company's development and construction of the Apartment Complex, the Company shall pay a Developer Fee (including overhead) to the Developer in an amount equal to $2,375,442. The Developer Fee shall be deemed earned in its entirety as of the date of Construction Completion and otherwise in accordance with the terms of the Development Agreement (but paid as set forth below).

To the extent approved by the Construction Lender, the Developer shall be paid such portion of its Developer Fee as possible from available debt and equity proceeds of the Company, to the extent such proceeds are not required for other Company purposes (e.g., payment of any Credit adjusters owed pursuant to Sections 3.05, 3.06, 3.07, 3.08 hereunder) as follows: $50,359 on the Funding Date, $66,540 at Construction Completion, $77,630 at Stabilization and $976,632 upon the later of Stabilization or receipt of Forms 8609. The remainder of the Developer Fee (the "Deferred Developer Fee") shall be paid from available Cash Flow and/or Net Proceeds as described in Article IV, but in all events the Deferred Developer Fee shall be repaid by December 31, 2031 (the "Payment Date"). The Deferred Developer Fee shall not bear any interest. To the extent that Cash Flow and/or Net Proceeds through the Payment Date are insufficient to repay the Deferred Developer Fee in full, the Managing Member shall make a Capital Contribution to the Company on the Payment Date in the amount necessary to pay the balance of the Deferred Developer Fee. The Deferred Developer Fee shall also become due and owing in its entirety on

the date of (i) an Event of Bankruptcy with respect to the Managing Member, or (ii) immediately prior to the removal of the Managing Member in accordance with Section 8.04 of this Agreement, at which time the Managing Member shall be required to make a Capital Contribution to the Company in the amount necessary to pay the balance of the Deferred Developer Fee.

Section 7.03. Compliance Monitoring Fee.

(a) Commencing the first year that the Apartment Complex has been placed in service, the Company shall pay to Midwest Housing Equity Group, Inc. ("MHEG") an annual fee equal to $4,900 (such amount to be increased 2% annually beginning in 2020) for providing technical, monitoring and other services rendered pursuant to the Compliance Monitoring Agreement. Such fee shall be due and payable on January 30 of each year. In the event the Company lacks sufficient funds to pay this fee, on or before March 1 of each year the Managing Member shall make an Operating Deficit Loan to the Company to allow the Company to pay MHEG the annual fee

(b) Commencing the first year that the Apartment Complex has been placed in service, the Company shall pay to the State Credit Member an annual fee equal to $1,500 (such amount to be increased 2% annually) (the "State Compliance Monitoring Fee") for providing technical, monitoring and other services rendered pursuant to the Compliance Monitoring Agreement (State Investor). Such fee shall be due and payable on January 30 of each year. In the event the Company lacks sufficient funds to pay this fee, on or before March 1 of each year the Managing Member shall make an Operating Deficit Loan to the Partnership to allow the Partnership to pay the State Credit Member the fee.

Section 7.04. Disposition Fee. Upon a sale of the Apartment Complex to a party other than the Managing Member (or an Affiliate thereof), MHEG shall be entitled to receive a

disposition fee in the amount of 1% of the gross sales price of the Apartment Complex for assistance provided in connection with the sale.

Section 7.05. Incentive Management Fee. In consideration for the efficient management of the Company and the business thereof, the Managing Member shall be paid an annual, noncumulative Incentive Management Fee from Cash Flow in an amount equal to 100% of Cash Flow remaining available in each year after the application of Sections 4.02(a)(i) - (xi) hereof; provided, however, payment of the Incentive Management Fee shall be subject to the terms and conditions of the Incentive Management Fee Agreement. In no year may the Managing Member receive an Incentive Management Fee greater than 12% of Gross Rent Receipts.

Section 7.06. Due Diligence Fee. On the Closing Date, the Company shall pay to the Investor Member a fee equal to $20,000 to pay its transaction costs incurred in connection with the admission of the Investor Member, including costs associated with its due diligence review and technical analysis of the Company and the Apartment Complex.

ARTICLE VIII

RIGHTS AND OBLIGATIONS OF INVESTOR MEMBERS AND STATE CREDIT MEMBER

Section 8.01. Liability of Investor Members, State Credit Member and Class B Special Member. The Investor Members and State Credit Member and Class B Special Member shall be liable only to make their Capital Contribution as and when due hereunder. After its Capital Contribution is fully paid, no State Credit Member, Class B Special Member or Investor Member shall be required to make any further Capital Contribution or lend any funds to the Company, and no State Credit Member, Class B Special Member or Investor Member shall be liable for any debts, liabilities, contracts, or obligations of the Company, except as otherwise required by the Act and Section 4.03 hereof.

Section 8.02. No Right To Manage, Partition or Dissolve. No Investor Member shall take part in the management, control, conduct or operation of the Company (or the Apartment Complex), or have any right, power or authority to act for or bind the Company. No provision of this Agreement which makes the Consent of the Investor Member a condition for the effectiveness of an action taken by the Managing Member is intended, and no such provision shall be construed, to give the Investor Member any participation in the control of the Company business. No Investor Member shall have the right to bring an action for partition or dissolution against the Company as long as the Company is operated in accordance with Section 1.04 hereof, and the Investor Member and State Credit Member hereby waive, to the full extent permitted by law, the right to institute an action for partition or dissolution as long as the Company is operated in accordance with Section 1.04 hereof.

Section 8.03. Death or Disability of Investor Member. The Company shall not be dissolved by the death, insanity, adjudication of incompetency, bankruptcy, insolvency or Withdrawal of any Investor Member, by the assignment of the Interest of a Investor Member, or by the admission of a Substituted Investor Member.

Section 8.04. Removal of a Managing Member.

(a) The Special Member shall, after notice to the State Credit Member and consultation with the State Credit Member with respect to any new Managing Member to be admitted, appointed or elected, have the right to remove a Managing Member and elect or appoint a new Managing Member (i) on the basis of the Managing Member's performance constituting fraud, bad faith, misconduct, gross negligence or material breach of fiduciary duty, or (ii) upon the occurrence of any of the following: (A) such Managing Member shall have violated any material provisions of any Project Document or other

document required in connection with any Mortgage and shall not have cured such violation within applicable grace periods, if any and such violation shall have had a material adverse effect on the Company; (B) such Managing Member shall have violated, and not cured (or, with respect to nonmonetary violations, not undertaken reasonable actions to commence to cure) within seven days after notice from the Investor Member (with a copy to the State Credit Member), any provision of this Agreement, including, but not limited to, any of its representations and covenants in Article VI or any obligation to provide funds under Sections 3.01, 3.05, 3.06, 3.07, 3.08, 6.10 and 6.11 and such violation has a material adverse effect on the Company or the Investor Member (provided that any violation of the obligation to pay amounts owed under Sections 3.01, 3.05, 3.06, 3.07, 3.08, 6.10, 6.11 and 6.12 shall automatically be considered to have material adverse effect); (C) any Mortgage shall have gone into default and not been cured within any applicable cure period provided therein unless the default is waived by the Lender; (D) an Event of Bankruptcy shall have occurred with respect to the Company, the Guarantor or the Managing Member or there shall be a default under the Guaranty; (E) such Managing Member shall have failed for reasons within the control of the Managing Member to obtain a Title Policy in a form acceptable to the Investor Member pursuant to Section 6.09(j) of this Agreement or shall fail to obtain a date down endorsement of the Title Policy as required in the definition of Construction Completion and shall not have cured such failure within 10 business days after notice from the Investor Member; (F) the Company fails to maintain a Debt Service Coverage Ratio of 1.10:1, after taking into account any Operating Deficit Loans as Net Operating Income for a period of 12 months or more (such determination to be made on a quarterly basis); (G) the First Mortgage Loan has not closed and funded by January 15,

2020; (H) such Managing Member shall have conducted its own affairs or the affairs of the Company in such a manner as would (x) cause the termination of the Company for federal income tax purpose; or (y) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation; (I) in the event that any Affiliate of the Managing Member providing services to the Company commits fraud, bad faith, misconduct, gross negligence or a breach of fiduciary duty in its performance with respect to the Company, or violates any material provision of any Project Document or other document required in connection with any Mortgage, shall not have cured such violation within applicable grace periods, if any, and as a result of such action or inaction causes material adverse harm to the Company or the Investor Member; and (J) the Managing Member shall fail to make an election required pursuant to Section 6.02(c) hereof within the time period required by the Code or Treasury Regulations or after notice of such failure from the Special Member.

(b) Upon the removal of a Managing Member, without any further action by any Member, the Special Member or its designee shall automatically become a Managing Member and the Company shall redeem the Interest of the removed Managing Member for an amount equal to $100 less any damages incurred by the Company in connection with the Managing Member's removal, and such removed Managing Member shall thereafter cease to have any interest in the capital, profits, losses, credits, distributions, and all other economic incidents of ownership of the Company. In addition, any loan (including any Operating Deficit Loan) or advance made by, or any fee earned by, the Managing Member and its Affiliates (excluding any earned but unpaid Developer Fee) shall be automatically assigned to the Special Member or its designee. In addition, notwithstanding any longer term of any Management Agreement or other contract, in the event the Managing Member

is removed as Managing Member pursuant to this Agreement, the Special Member shall have the right to terminate or assign to the Special Member or its designee, without penalty, the Management Agreement (if the Management Agent is an Affiliate of the Managing Member) and every other service contract or agreement between the Company and such removed Managing Member and/or Affiliates of the removed Managing Member by notice, effective simultaneously with such removal, and shall further notify the State Credit Member regarding such termination or assignment and shall consult with the State Credit Member regarding any replacement management agent and/or management agreement.

(c) The economic Interest of the Special Member as the Special Member shall continue unaffected by the new status of the Special Member or its designee as a Managing Member, and the new Managing Member shall automatically be irrevocably delegated all of the powers and duties of the removed Managing Member pursuant to this Agreement (including those as Tax Matters Partner). Nothing in this Section 8.04 shall reduce or otherwise limit the rights, remedies or other actions available to the Investor Member and/or State Credit Member against the removed Managing Member. The removed Managing Member shall pay any and all damages (including reasonable attorney's fees) suffered by the Company as a result of the removal event(s), including any amounts paid by the Company to induce a Person to become a Managing Member to carry out the purposes of the Company or as required by the Agency or any Lender and for all other costs, expenses, or damages incurred by the Company as a result of the removal which amounts may be offset against any amounts due to the removed Managing Member. A Managing Member so removed will not be liable as a Managing Member for any obligations of the Company incurred or attributable to events or actions occurring after the

effective date of its removal (including, without limitation, any obligation to make payments pursuant to Section 3.05 or loans pursuant to Section 6.11 to the extent attributable to events or actions occurring after the date of removal), but shall continue to be liable for all obligations and liabilities incurred or attributable to events or actions occurring prior to the date of removal. A Managing Member so removed shall fully indemnify and hold harmless the Special Member (or its designee), as substitute Managing Member, against any and all losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained in connection with its capacity as a Managing Member to the extent that any such losses, judgments, liabilities, expenses and settlement payments relate to, arise from, or are attributable to claims, actions, omissions or events arising prior to the date of removal. Notwithstanding the removal, termination or nonrenewal of any affiliated Management Agent or any other Affiliate of the Managing Member providing services to the Company (and the replacement of such entity as selected by the Investor Member or Special Member), the Managing Member shall remain liable for losses, judgments, liabilities, expenses, and settlement payments relating to, arising from, and attributable to actions, omissions or events of such entity arising prior to the date of removal, termination or nonrenewal and for, at any time, payments pursuant to Section 3.05 or loans pursuant to Section 6.11. The Managing Member hereby grants to the Special Member an irrevocable (to the extent permitted by applicable law) power of attorney coupled with an interest to execute and deliver any and all documents and instruments on behalf of such Managing Member and the Company as the Special Member may deem to be necessary or appropriate in order to effect the provisions of this Section 8.04 and to enable the new Managing Member to manage the business of the Company.

(d) [Reserved].

Section 8.05. Outside Activities. Nothing herein contained shall be construed to constitute any State Credit Member or Investor Member hereof the agent of any other Member hereof or to limit in any manner any State Credit Member or Investor Member in the carrying on of its own respective business or activities. Any State Credit Member or Investor Member may engage in and/or possess any interest in other business ventures (including partnerships or limited liability companies of whatever kind) of every nature and description, independently or with others, whether existing as of the date hereof or hereafter coming into existence. Neither the Company nor any Member hereof shall have any rights in or to any such independent ventures or the income or profits derived therefrom and nothing shall be construed to render them partners in any such other business ventures.

ARTICLE IX

TRANSFERABILITY OF INVESTOR MEMBER INTERESTS

Section 9.01. Consent of Managing Member Required for Assignment. Neither an Investor Member nor a State Credit Member may sell, transfer, assign or otherwise Dispose of all or any part of its Interest (other than to an Affiliate) without the prior written consent of the Managing Member, which consent shall not be unreasonably withheld.

Notwithstanding anything to the contrary contained herein, no State Credit Member may withdraw from the Company or assign, pledge or encumber all or any part of its Interest without the Consent of the Special Member, which consent shall not be unreasonably withheld, and, to the extent required, the consent of Agency and each Lender.

Further, the Members hereby acknowledge that State Credit Member (or the direct or indirect owners of its equity) will borrow funds from a lender to make its Capital Contributions and that lender will require a security interest in the State Credit Member's Interest in the Company

and no further consent to such a security interest is required. In the event that the State Credit Member defaults under this Agreement or fails to make a required Capital Contribution, the Managing Member shall provide notice to the State Credit Member's lender at the address provided by notice to the Managing Member of the name and contact information of such lender, such notice from the Managing Member to describe the nature of the default or non-payment and provide the State Credit Member's lender with a thirty (30) day opportunity to cure (but no obligation to cure) such default or non-payment on behalf of the State Credit Member before any action, otherwise allowable under this Agreement, is taken by the Managing Member or any Member with regard to the State Credit Member's default or non-payment. In the event that the State Credit Member's lender elects to foreclose on its security interest in and take ownership of the State Credit Member's Interest in the Company, all Members agree that the State Credit Member's lender shall be admitted as a substitute State Credit Member, subject to the requirements of Section 9.02 below.

Section 9.02. Substituted Investor Member or State Credit Member.

(a) No Investor Member shall have the right to substitute an assignee as an Investor Member (other than to an Affiliate) in its place without the consent of the Managing Member, which consent shall not be unreasonably withheld, and such assigning Investor Member shall remain liable for payment of its unpaid capital contributions unless otherwise consented to by Managing Member. Each Substituted Investor Member shall execute such instruments as shall be required by the Managing Member to signify its agreement to be bound by all the provisions of this Agreement, to assume the obligation to pay any unpaid portion of the selling Investor Member's Capital Contribution and to pay the Company's reasonable legal fees and filing costs in connection with his substitution as

an Investor Member. Any assignment of an Investor Member's Interest in the Company shall be deemed to be effective as of the first day of the month on which the transfer occurs,

(b) No State Credit Member shall have the right to substitute an assignee as a State Credit Member in its place without the consent of the Managing Member and the Special Member, which consents shall not be unreasonably withheld.

(c) Each Substituted State Credit Member shall execute such instruments as shall be required by the Managing Member and Special Member to signify its agreement to be bound by all the provisions of this Agreement (and the Project Documents and any other documents required in connection therewith) to assume the obligations of the State Credit Member, to assume the obligation to pay any unpaid portion of the State Credit Member's Capital Contribution and to pay the Company's reasonable legal fees and filing costs in connection with its substitution as a State Credit Member. Any assignment of a State Credit Member's Interest in the Company shall be deemed to be effective as of the first day of the month on which the transfer occurs.

(d) Notwithstanding anything to the contrary contained herein, this Section 9.02 and/or Section 9.01 are not intended to modify the Investor Member, Managing Member or Company's rights or remedies under this Agreement against the State Credit Member or the State Credit Member's rights and remedies under this Agreement against Investor Member and Special Member.

Section 9.03. Assignees.

(a) Upon any assignment of an Investor Member's or a State Credit Member's Interest, there shall be filed with the Company an executed and acknowledged assignment and the written acceptance by the assignee of all the terms and provisions of this

Agreement, including, without limitation, those provisions contained in Section 1.04 which relate to the operation of the Apartment Complex as low and moderate income housing; if such assignment and acceptance are not so filed, the Company need not recognize such assignment for any purpose. A permitted assignee of an Investor Member or the State Credit Member who does not become a Substituted Investor Member or State Credit Member in accordance with Section 9.02 above shall have only the rights to receive the share of Credits, Profits and Losses, Cash Flow and other distributions from the Company to which the assigning Investor Member or State Credit Member, as applicable, would have been entitled, but shall have no voting or consent rights to which the Assignor was entitled under this Agreement or any of the Project Documents.

(b) Every assignee of an Investor Member's or State Credit Member's Interest who desires to make a further assignment of his Interest shall be subject to all the provisions of this Article IX to the same extent and in the same manner as an Investor Member or State Credit Member.

Section 9.04. Restrictions on Transfer.

(a) Unless waived by the Managing Member, no Disposition (other than to an Affiliate) may be made if the Interest sought to be disposed of when added to the total of all other Interests Disposed of within the period of twelve consecutive months prior to the proposed date of Disposition could, in the opinion of Special Tax Counsel to the Company, result in a termination of the Company under Section 708 of the Code that would have a material adverse effect on the Company, or result in the loss of or recapture of the Credit or State Credit.

(b) The Managing Member may, in addition to any other requirement it may impose, require as a condition of Disposition that the transferor (i) assume, pay or reimburse the Company for all costs incurred by the Company in connection therewith and that the transferee remain liable for unpaid Capital Contributions; (ii) furnish it with a satisfactory opinion of counsel that such sale, transfer, exchange or other Disposition complies with applicable federal and state securities laws; (iii) furnish it with a satisfactory opinion of counsel that such sale, transfer, exchange or other Disposition will not preclude the transferee Investor Member from claiming the Credit or the transferee of the State Credit Member from claiming the State Credits; (iv) furnish it with all instruments necessary to evidence its obligation to pay any remaining unpaid Capital Contribution of the Investor Member and/or State Credit Member; and (v) furnish it with all instruments necessary to evidence that the Disposition will not result in the termination of the Company under Section 708 of the Code.

Section 9.05. Sale of the Apartment Complex or Interest of the Investor Member or State Credit Member.

(a) For a one-year period after the end of the Compliance Period, Sisters of Charity of Leavenworth Health System, if Managing Member or an Affiliate has continuously served as Managing Member, shall have the right of first refusal as set forth in that Right of First Refusal Agreement dated of even date herewith to purchase the Apartment Complex for a price equal to the greater of (A) $100 or (B) consistent with Code Section 42(i)(7), the sum of (i) the principal amount of all outstanding indebtedness secured by the Apartment Complex (including any accrued interest and any loans to the Company by a member); plus (ii) an amount sufficient to enable the Company to distribute cash to

the Members pursuant to the liquidation provisions of the Operating Agreement in an amount equal to the sum of (a) all federal, state and local taxes of the Company and its Members attributable to such sale; plus (b) the amount of any unpaid Credit Adjustment payments owed the Investor Member under Sections 3.05, 3.06, 3.07, and 3.08 of the Operating Agreement, plus (c) the amount, if any, owed to the Investor Member under any other provision of the Operating Agreement, including, without limitation, Sections 4.02(a)(i) and 6.05, plus (d) any federal, state and local taxes owed by the Investor Member as a result of its receipt of the cash distribution

(b) The Investor Member, State Credit Member and the Special Member grant to the Managing Member, for so long as it or an Affiliate is the Managing Member of the Company and not in default under this Agreement, an option to purchase the Apartment Complex (or, as specified below, the Interests of the Investor Members and/or State Credit Member) on the terms and conditions as set forth in this Section 9.05 (the "*Option*").

(i) ***Term of Option***. The Option granted herein shall be exercised, if at all, only after expiration of the Tax Credit Compliance Period applicable to the Apartment Complex and for a period of twelve months thereafter (the "*Option Period*").

(ii) ***Price***. The price of the Apartment Complex shall be the greater of (i) the sum of the outstanding indebtedness on the Apartment Complex plus an amount sufficient to distribute to the Investor Members and State Credit Member pursuant to the liquidation provisions of Section 4.03 all federal, state and local taxes imposed on the Investor Members (and State Credit Member, as applicable) attributable to the buyout, plus the amount of any unrecovered deficiency in

Credits under Sections 3.05, 3.06, 3.07, and 3.08; or (ii) the fair market value (as of the date of the closing of the buyout) of the Apartment Complex (or the fair market value of the Interests of the Investor Members and/or State Credit Member, as applicable) as determined in accordance with this Section 9.05 (the "*Buyout Price*").

(iii) ***Conditions to Exercise***.

(A) The Option may be exercised only upon the written agreement of Managing Member to continue to use the Apartment Complex for low-income housing purposes subject to restricted rents for the greater of: (A) the Tax Credit Compliance Period; (B) the duration of the Extended Use Period; or (C) the term of the Regulatory Agreement

(B) The Option may be exercised only upon written notice (the "*Buyout Notice*") during the Option Period of intent to exercise the Option given by Managing Member to the Investor Members and State Credit Member at least sixty (60) days, but not more than one hundred twenty (120) days, prior to the proposed closing date as proposed by the Managing Member. The Buyout Notice shall set forth the proposed closing date. In addition the Buyout Notice shall include the following (all to be calculated as of the closing date proposed by the Managing Member in its Buyout Notice):

(1) an appraisal of the fair market value of the Apartment Complex (or the Interests of the Investor Members and/or State Credit Member) and any other Company assets by an appraiser selected in accordance with Section 9.05(b)(iv);

(2) a calculation by the Managing Member of the principal amount and accrued interest of all outstanding indebtedness secured by the Apartment Complex;

(3) a calculation by the Managing Member of the federal, state and local taxes to be borne by the Investor Member attributable to a sale of the Apartment Complex (or the Interest of the Investor Members and/or State Credit Member, as applicable); and

(4) a calculation by the Managing Member in accordance with the requirements of this Section 9.05 of the proposed Buyout Price.

(C) Any Buyout Notice which fails to include the items required in this Section 9.05 shall not constitute an effective Buyout Notice. If a Buyout Notice includes appraisals or calculations which, in the reasonable opinion of the Investor Members (and/or State Credit Member, as applicable), contain material errors, the notice shall not constitute an effective Buyout Notice. Absent an effective Buyout Notice, the Option may not be exercised. In the event Investor Members (and/or State Credit Member, as applicable) conclude that a notice fails to constitute an effective Buyout Notice, the Investor Members (and/or State Credit Member, as applicable) shall promptly so notify the Managing Member and the Managing Member may submit new or amended Buyout Notices at any time during the Option Period.

(iv) ***Appraisers, Selection***. Appraisals performed of the value of the Apartment Complex (or the Interests of the Investor Members and/or State Credit Member) shall be performed by an Accredited Senior Appraiser as certified by the American Society of Appraisers and acceptable to the Investor Members (an "*ASA Appraiser*") or an MAI certified real estate appraiser acceptable to the Investor

Members (an "*MAI Appraiser*"). Prior to submitting a Buyout Notice, Managing Member shall propose to the Investor Members and State Credit Member (as applicable) two appraisers. Both appraisers shall be either an ASA Appraiser or an MAI Appraiser or both. Within five (5) business days after written submission of the proposed appraisers by Managing Member, the Investor Members (or the State Credit Member, as applicable) shall approve one or both appraisers and so notify the Managing Member. Managing Member shall engage at its expense any appraiser approved by the Investor Members (or State Credit Member, if applicable) to perform the appraisal required under this Section 9.05.

(v) ***Appraisal Process***. For the purposes of determining the value of the assets of the Company, the appraiser shall be specifically directed to assume that limitations on tenant income and permitted rents, as set forth in the Extended Use Agreement, shall remain in effect throughout the Extended Use Period.

(vi) ***Costs, Fees***. The Investor Members and State Credit Member shall be responsible for their own attorneys' fees incurred in connection with the review of documents related to the closing. All other costs of the Buyout, including the costs of any appraiser selected under the procedures set forth in this Section 9.05, the Accountants' fees and any filing fees, shall be paid by the Managing Member.

(vii) ***Closing, Payment, Terms***. Closing shall occur on the closing date set forth in an effective Buyout Notice or as soon thereafter as commercially reasonable. The Buyout Price shall be paid by assumption of debt or in cash at closing. The Investor Member (and/or State Credit Member, as applicable), may, in its sole discretion, allow the Investor Members' (and/or State Credit Member,

as applicable) share of the Buyout Price as calculated above by the Accountants to be paid directly to the Investor Members (and/or State Credit Member, as applicable), upon payment of which the Investor Members (and/or State Credit Member, as applicable) shall transfer their Interest to the Managing Member at closing. Managing Member shall pay all costs and fees associated with its acquisition of the Investor Members' Interest (and/or State Credit Member Interest, as applicable), including any certifications, opinions of counsel (for either party) and title insurance if requested by the Managing Member. For clarity, the State Credit Limited Partner's rights under this section are separate and distinct from those of the Limited Partner, and it shall have a right to direct its own payment

(viii) ***Use of Reserves on Buyout***. In the event the Managing Member exercises the Buyout Option, and notwithstanding any provisions to the contrary in this Agreement, at the closing of the Buyout, the Company shall be authorized to distribute all funds remaining in the Operating Reserves maintained pursuant to Section 9.05 to the Managing Member to be used to purchase the Interest of the Investor Members (and/or State Credit Member, as applicable) in accordance with this Section and to the extent such funds exceed the Buyout Price, for any other purpose in the discretion of the Managing Member.

(c) Subject to (and without limiting or impairing the rights granted under) the Right of First Refusal and Section 9.05(a) of this Agreement, and subject to all Agency regulations then in effect and the receipt of all required approvals and consents of the lenders, and subject further to the extended use requirements applicable pursuant to Section 42(h)(6) of the Code and the terms of the Agency's Land Use Restriction

Agreement, if at any time after the Compliance Period the Investor Member requests that the Apartment Complex be sold, then the Managing Member shall make a request to the Agency to obtain a buyer who is willing to operate the low-income units of the Apartment Complex as a qualified low-income building and who will submit a Qualified Contract (as defined in Section 42(h)(6)(F) of the Code) for the Apartment Complex. If a Qualified Contract is submitted, the Investor Members and State Credit Member shall have the right to require that the Managing Member accept the Qualified Contract. If a Qualified Contract is not submitted, then the Managing Member shall use best efforts to find a third party purchaser.

(d) In addition, the Investor Member shall have the right to: (i) require the Managing Member to purchase its Interest for $100 plus any amounts owed to the Investor Member under Section 3.05 and 3.06 of this Agreement and/or (ii) transfer its Interest to an Affiliate of the Investor Member.

(e) [Reserved].

(f) [Reserved].

Section 9.06. Invalid Dispositions. Disposition in contravention of any of the provisions of this Article IX shall be void *ab initio* and ineffectual and shall not bind or be recognized by the Company. Moreover, if an Investor Member or State Credit Member makes any Disposition in contravention of this Article IX, it shall remain liable for any unpaid portion of its Capital Contribution.

Section 9.07. State Credit Member Provisions. The State Credit Member hereby agrees that: (i) except as specifically provided herein, it shall have no separate consent, approval or voting rights with respect to this Agreement or the operation of the Project or the Company; (ii) except as

specifically provided herein, all consent or approval rights provided to the Members under this Agreement shall be exercised solely by the Investor Members as required, and the Investor Members shall have no duty or obligation to consult with any Member, in connection with the granting or denial of any such Consent or approval; provided, however, that the State Credit Member shall be entitled to receive copies of all notices issued to the Company and/or Managing Member as provided in this Agreement; including any reports required to be delivered to the Members in accordance with Article XII hereof; (iii) except as specifically provided herein, the Investor Members shall be entitled to exercise all rights and remedies available to them (including rights and remedies available to the Members) under the Agreement and any other Project Document without consulting with, or considering the interests of, any other Member; (iv) notwithstanding Section 14.03 hereof and except to the extent of matters for which the Consent of the State Credit Member is required under this Agreement or consultation is required, the Managing Member and the Investor Members may amend this Agreement or any other Project Document without the Consent of the State Credit Member so long as such amendment does not change the allocations and/or distributions to the State Credit Member, does not increase or extend any obligation of the State Credit Member, including the obligation to contribute to the capital of or make payments to the Company or accelerate the timing of such capital contributions or payments, does not affect the obligations or reduce the rights of the State Credit Member, does not alter the State Credit Member's Capital Account, does not impair the State Credits, or does not increase the liability of the State Credit Member hereunder and does not amend the provisions of this Section 9.07, and does not allow for any action or non-action by any other Member that would negatively impact the State Credits or the State Credit Member; provided however, that the prior written notice of any such amendments shall be provided to the State Credit Member at least ten

(10) days in advance and any such notice shall include a copy of the proposed amendment. The State Credit Member has disclosed to the Managing Member and the Members all litigation, action, proceeding, investigation or claim involving, pending against or, to its knowledge, threatened against it and hereby represents that neither it nor any of its members is, or will be, at any time in which the State Credit Member owns an Interest in the Company, classified as a tax-exempt entity under the Code. The State Credit Member shall indemnify, defend and hold harmless the Company and the Investor Member, on an after-tax basis, from any damages (including reduced or deferred depreciation or other tax benefits), claims, liabilities, losses, actions, causes of action, suits, penalties, fines, costs and expenses, including, without limitation, defending any audits, claims or lawsuits and settlement thereof, and legal and accounting costs incurred in connection therewith, which arise from or are attributable to any breach or inaccuracy of such representation or covenant.

ARTICLE X

WITHDRAWAL OF A MANAGING MEMBER; DISPOSITION OF A MANAGING MEMBER'S INTEREST

Section 10.01. Transfer and Withdrawal. No Managing Member may Withdraw from the Company or transfer all or any part of its Interest in the Company without the Consent of the Investor Member in its sole discretion (with a copy to the State Credit Member) and all other Managing Members, except that if the Special Member or a designee thereof becomes a Managing Member pursuant to this Agreement, it shall not require the consent of any other Managing Member to transfer all or any portion of its interest as a Managing Member, other than as may be required under the Act. In the event of any Withdrawal by a Managing Member in violation of this Section 10.01, such Managing Member, in addition to being subject to any and all other legal remedies which may be pursued by the Members, shall forfeit to the Special Member or its designee, such Managing Member's Interest and all unpaid fees from (and any loans to) the

Company and shall remain liable for all of the Withdrawing Managing Member's obligations under this Agreement. In addition, upon such Withdrawal and transfer, the Special Member or its designee shall automatically become a Managing Member without further action by the Withdrawing Managing Member or any other Member, and each Member hereby consents to such transfer and to the admission of the Special Member or its designee as a Managing Member in such a situation. Such transfer shall occur automatically upon such Withdrawal without further action by such Withdrawing Managing Member.

Section 10.02. Obligation To Continue. Upon the Withdrawal of a Managing Member, any remaining Managing Member shall have the right and obligation to continue the business of the Company and shall, within 30 days, notify the Investor Members and State Credit Member of such Withdrawal.

Section 10.03. Withdrawal of Managing Members. If, following the Withdrawal of a Managing Member, there is at least one other Managing Member (or the Class B Special Member) who agrees to continue the business of the Company, such other Managing Member or the Class B Special Member shall have the right to so do in accordance with this Agreement. If other Members elect and admit a successor Managing Member, the relationship among the then Members shall be governed by this Agreement.

Section 10.04. Interest of Managing Member After Permitted Withdrawal. In the event of the Withdrawal of a Managing Member not in violation of Section 10.01 hereof, the Withdrawing Managing Member hereby covenants and agrees to transfer to any remaining Managing Member(s) or to a successor Managing Member selected in accordance with Section 10.03 hereof, as the case may be, such portion of the Withdrawing Managing Member's Interest as such remaining or successor Managing Member(s) may designate. Such transfer shall

be made in consideration of the payment by the transferee of the fair value of such Interest, which, in the absence of agreement between such parties, shall be determined by a committee of three appraisers, one selected by the Withdrawing Managing Member, one selected by the transferee and a third selected by the other two appraisers. The proceedings of such committee shall conform to the rules of the American Arbitration Association, as far as appropriate, and its decision shall be final and binding. The portion of the Withdrawing Managing Member's Interest to be transferred in accordance with the provisions of this Section 10.04 shall be sufficient to ensure the continued treatment of the Company as a partnership under the Code, and, for the purposes of Article IV, shall be deemed to be effective as of the date of Withdrawal, but the Company shall not make any distributions to the designated transferee until the transfer has been made. Any holder of any portion of the Interest of a Withdrawing Managing Member which is not designated to be transferred to the remaining or successor Managing Member(s) pursuant to the provisions of this Section 10.04 shall become a special member and shall be entitled to the same share of the Profits and Losses, Cash Flow and other distributions to which such Interest was entitled when held as a Managing Member Interest.

Section 10.05. Additional Managing Member. With the Consent of the Investor Member (after consultation with the State Credit Member), the Managing Member shall have the right to designate one or more persons as additional Managing Members. Notice of any such designation shall be promptly given to all the other Members. The Managing Member shall assign to such Persons such portion of its Interests as may be agreed upon by the Managing Member and such Persons, provided such assignment does not cause a loss or recapture of the Credit or State Credit to the Investor Member and State Credit Member and does not jeopardize the classification of the Company as a partnership under the Code.

ARTICLE XI

MANAGEMENT AGENT AND MANAGEMENT FEE

(a) The Managing Member shall have the responsibility for managing, or for supervising the management of, the Apartment Complex and the Management Agent. The Company may contract with an Affiliate or third party to perform such management services, subject to the terms of Section 6.07 hereof; provided, however, that nothing contained herein shall preclude the Managing Member from managing the Apartment Complex. After the Closing Date, the Company shall not enter into any Management Agreement or modify, terminate or extend any Management Agreement unless (i) it shall have obtained the Consent of the Special Member to the identity of the Management Agent and the terms of the Management Agreement or the modification, termination or extension thereof, (ii) such new Management Agreement or modified or extended Management Agreement provides that it is terminable without penalty by the Company on 30 days' notice by the Company and (iii) the Lenders shall have consented, to the extent required under the Project Documents, to the new or modified Management Agreement, and the State Credit Member has received notice of such modification, termination or extension and the Special Member has consulted with the State Credit Member as to the same. The Managing Member shall cause each Management Agreement entered into by the Company to provide that the Management Agent shall take all actions reasonably necessary (or requested by the Investor Members, State Credit Member, or Managing Member) to cooperate with the Investor Members, State Credit Member or Managing Member in monitoring the Management Agent's compliance with the terms of the Management Agreement and this Agreement, including, but not limited to, maintaining tenant files and records in accordance with Section 12.01 hereof, verification of fees and expenses incurred

by the Management Agent, verification of compliance with the tenant certification and other requirements of Code Section 42 and the Agency, and verification of compliance with the Fair Housing Act and other applicable laws. The State Credit Member shall have the right to contact the Management Agent.

(b) The Management Agent shall receive a management fee, which fee shall be paid in accordance with the terms of Section 7.01 hereof and the Management Agreement, which shall be executed by the Company. If (i) the Apartment Complex shall be subject to a substantial building code violation or violation of the Fair Housing Act of 1968, as amended, which shall not have been cured within two months after notice from the applicable governmental agency or department, (ii) an Event of Bankruptcy shall occur with respect to the Management Agent, (iii) the Management Agent shall commit misconduct or negligence in its conduct of its duties and obligations under the Management Agreement and/or any Lender approved management plan for the Apartment Complex, (iv) the Apartment Complex has incurred Operating Deficits for three consecutive months (provided, however, that if the Managing Member has made loans or Capital Contributions to the Company sufficient to cover such Operating Deficits, the termination and appointment rights of the Special Member in this section shall not be exercised as a result of a violation of this subsection (iv)), (v) after the first year of the Credit Period, less than 90% of the units are qualified "low-income units" under Code Section 42(i)(3), (vi) the Management Agent fails to collect the Security Deposits, or uses the Security Deposits to pay operating expenses of the Company, (vii) the Management Agent is cited by any Credit monitoring or compliance agency of the State or any other governmental agency (and has not cured within a reasonable period of time the particular violation(s) for a material

violation of any applicable rules, regulations or requirements, including, but not limited to, noncompliance with the minimum set-aside test, the rent restriction test or any other Credit-related provision, or (viii) the Managing Member is removed or withdraws from the Company, then, upon request by the Special Member, the Managing Member must cause the Company to promptly terminate the Management Agreement with the Management Agent and appoint a new Management Agent selected by the Special Member (after consultation with the State Credit Member). The Managing Member hereby grants to the Special Member an irrevocable (to the extent permitted by applicable law) power of attorney coupled with an interest to take any action and to execute and deliver any and all documents and instruments on behalf of such Managing Member and the Company as the Special Member may deem to be necessary or appropriate in order to effectuate the provisions of this Section 11.01(b). The Company shall not enter into any future management arrangement or renew or extend any existing management arrangement unless such arrangement is terminable without penalty upon the occurrence of the events described in this Article XI. The Managing Member shall provide notice to the State Credit Member if the Special Member exercises any of its rights pursuant to this Section 11(b).

(c) The Managing Member will have the duty to manage the Apartment Complex during any period when there is no management agent (until such time as a replacement management agent satisfactory to the Managing Member and Special Member is found, and the parties hereto agree to use their best efforts to agree on an acceptable replacement management agent within 30 days; provided, however, that if Managing Member has been removed along with its affiliated management agent, the replacement management agent need only be satisfactory to the Special Member) and the Company

will pay the Managing Member for such services an annual management fee equal to such amount as may be deemed to be reasonable by the Managing Member and no greater than the amount that would be paid to an unrelated party performing substantially similar services.

ARTICLE XII

BOOKS AND RECORDS; ACCOUNTING; TAX ELECTIONS; ETC.

Section 12.01. Books and Records; Site Inspection. The Company shall maintain all books and records which are required under the Act, the Code and Regulations, or by any governmental agencies having jurisdiction and may maintain such other books and records as the Managing Member deems advisable. All records required to determine the Company's ability to claim Credits and State Credits (including, without limitation, records regarding Eligible Basis of the Apartment Complex and records pertaining to the qualification and recertification of tenants) shall be kept and maintained during the entire Compliance Period and shall be turned over to the Special Member upon any removal or withdrawal of the Managing Member or to any new Management Agent appointed pursuant to Article XI. Upon the request of any Investor Member and/or the State Credit Member, the Managing Member shall promptly provide to the Investor Members and/or the State Credit Member copies of all records and files with respect to initial and other tenants, income certifications and such other information as is necessary to establish at any time the number of units treated as occupied by Qualified Tenants (and the Investor Members and/or State Credit Member agree to reimburse the Managing Member for all costs reasonably incurred by the Managing Member in providing such information to the such Investor Members) (or to the State Credit Member, as applicable); provided, however, that the Managing Member will provide the State Credit Member copies of all initial tenant files on a monthly basis, within twenty (20) days of the end of each months, until such time as all units are occupied by Qualified Tenants.

In this regard, the Investor Members and State Credit Member shall have the right to require the Managing Member to submit such files to the Investor Members and/or the State Credit Member prior to the Managing Member or the Management Agent executing a lease with any such tenant. The Company will also maintain a list of the names and addresses of all Members. The books and records and list of Members shall be available for examination by any Member, or his duly authorized representatives, at the principal office of the Company at any and all reasonable times during ordinary business hours and after reasonable notice. In addition, any Investor Member and/or the State Credit Member is authorized to conduct a physical inspection of the Apartment Complex at any and all reasonable times during ordinary business hours and after reasonable notice.

Section 12.02. Bank Accounts. Other than as set forth in Section 6.10 of this Agreement, the bank accounts of the Company shall be maintained with such financial institutions as the Managing Member shall determine. Withdrawals shall be made only in the regular course of Company business on such signature(s) as the Managing Member may determine. All deposits and other funds not needed in the operation of the business shall be deposited in Qualified Investments.

Section 12.03. Accrual Basis. The books of the Company shall be kept on the accrual basis and the fiscal and tax year of the Company shall be the calendar year.

Section 12.04. Accountants. The Accountants shall prepare, for execution by the Managing Member, all tax returns of the Company and shall prepare all annual financial reports to the Members, which shall be in such detail as the Investor Members and/or State Credit Member may reasonably require. The Investor Members may, in its sole discretion, advance monies to the Accountants on behalf of the Company, and the Company shall be obligated to reimburse the

Investor Members for such advance. In the event the Company lacks sufficient funds to reimburse the Investor Members for the advance, the Managing Member shall be obligated to make an Operating Deficit Loan to the Company so that the Company may reimburse the Investor Members for such advance.

Section 12.05. Federal Income Tax Elections. Subject to Article IV and Section 6.10(g), all elections made by the Company under the Code shall be made by the Managing Member (provided that the Consent of the Investor Member shall be required for any election that would affect the amount or timing of Credits or Losses allocated to the Investor Member) (including, but not limited to, elections out of any available bonus depreciation under the Code)), and provided that the Consent of the State Credit Member shall be required for any election, to the extent such elections are not otherwise authorized or required by this Agreement, that would affect the amount or timing of State Credits or State Rehabilitation Tax Credits allocated to the State Credit Member, the characterization of the capital contributions of the State Credit Member, the allocations or distributions to the State Credit Member), and the Managing Member shall provide notice to the Investor Member of such elections. Notwithstanding any other notice requirements contained herein, furnishing copies of the tax returns filed by the Company shall constitute notice under this Section 12.05.

Section 12.06. Information to Members.

(a) For each year of the Company's existence, the Company shall deliver to the Investor Members and the State Credit Member, within 45 days after the end of the Company Taxable Year, copies of all completed and executed forms that are required to be filed with the Service or the Agency (or, if earlier, 15 days prior to the due date of such returns or forms as required by law, not taking into account extensions); notwithstanding

the foregoing, the Company shall use all reasonable efforts to ensure that drafts of the required forms are delivered to each of the Investor Members and State Credit Member within 30 days after the end of the Company Taxable Year.

(b) Except for the 2017 year, draft audited financial statements for the Managing Member and for the Company for the preceding Company Accounting Year shall be delivered to each of the Investor Members and the State Credit Member within 45 days after the end of the Company Taxable Year and audited financial statements for the Managing Member and for the Company for the preceding Company Accounting Year shall be delivered to the Investor Members and State Credit Member within 60 days after the end of the Company Taxable Year. An annual pro forma operating budget shall be prepared by the Managing Member or the Management Agent and furnished to each of the Investor Members and State Credit Member at least 60 days prior to the beginning of each Company Accounting Year.

(c) Within 15 days after the end of each month of a fiscal year of the Company, the Managing Member shall cause to be prepared and distributed to each of the Investor Members and the State Credit Member a report containing:

(i) a Company balance sheet, which may be unaudited;

(ii) a statement of Company income and expenses for the month then ended, which may be unaudited;

(iii) a statement of Company cash flows, reserves and capital proceeds for the month then ended, which may be unaudited;

(iv) a certification of the Managing Member that the Apartment Complex and its tenants are in compliance with all applicable federal, state and local requirements and regulations;

(v) a copy of the rent roll for the Apartment Complex, an operating statement and an occupancy/rental report, all in the form specified by the Investor Member;

(vi) a statement describing (a) any new agreement, contract or arrangement between the Company and a Managing Member or any Affiliate of a Managing Member, and (b) the amount of all fees and other compensation and distributions and reimbursed expenses paid by the Company for the month to a Managing Member or an Affiliate of a Managing Member;

(vii) a report of the significant activities of the Company during the fiscal month; and

(viii) all other information which would be pertinent to a reasonable investor regarding the Company and its activities during the month covered by the report, including but not limited to, copies of any filings and correspondence with the United States Treasury or the Agency (and its successors and assigns) regarding the Apartment Complex.

(d) Commencing with the fiscal year in which the Closing Date occurs and continuing thereafter until the Guaranty is terminated, audited financial statements and a certified schedule of real estate owned shall be submitted to the Investor Member and the State Credit Member annually for each Guarantor by March 31st and tax returns for each Guarantor shall be delivered annually to the Investor Member and the State Credit Member

by June 30th. Notwithstanding the foregoing, in the event the Guarantor is an individual, certified financial statements shall be delivered annually in the event audited financial statements are unavailable. Each reference to an "audit" within this Section 12.06(d) shall mean an annual audited financial statement prepared in full compliance with GAAP. Each reference to "certified" within this Section 12.06(d) means the Person who is the subject of the statement shall certify in writing to the Investor Member and the State Credit Member that the information is current, accurate, and complete.

(e) If the Managing Member or Company shall fail to deliver any of the information required by Section 12.06(a), (b), (c) or (d) within the specified time limits, the Managing Member shall pay damages to each such Investor Member and the State Credit Member in the sum of $100 per day beginning 10 business days after the date such Investor Member notifies the Managing Member that it has not received information until such information is received by the Investor Member and State Credit Member. Such damages shall be paid forthwith by the Managing Member and failure to so pay following 30 days after receipt of written notice shall constitute a material default of the Managing Member under this Agreement. In addition, if the Managing Member fails to so pay, the Managing Member shall forthwith cease to be entitled to the payment or distribution of any Cash Flow or Net Proceeds to which it may otherwise be entitled under Article IV hereof. Such payments or distributions of Cash Flow and Net Proceeds shall be restored and allowed only upon the payment of such damages in full and any amount of such damages not so paid shall be deducted against payments of the Cash Flow or Net Proceeds otherwise due to the Managing Member.

(f) The Investor Member and the State Credit Member each reserve the right, upon satisfactory performance, to require reports on a quarterly basis.

ARTICLE XIII

POWER OF ATTORNEY

Section 13.01. Power of Attorney. The Investor Member, the State Credit Member, and each additional or substituted Investor Member hereby irrevocably constitutes and appoints the Managing Member and any substitute Managing Member, and each officer or executive officer of any Managing Member, or their equivalents, with full power of substitution, its true and lawful Attorney-in-Fact, in its name, place and stead, with full power to act jointly and severally, to make, execute, sign, acknowledge, swear to, verify, deliver, file, record and publish the following documents:

(a) The Articles;

(b) Any certificate, instrument or document which may be required to effect the qualification or continuation of the Company, the Withdrawal of an Investor Member, the admission or substitution of an Investor Member, State Credit Member, or Managing Member or the dissolution and termination of the Company, provided such qualification or continuation, admission or substitution, dissolution and termination is in accordance with the terms of this Agreement; and

(c) Any amendment to this Agreement made in accordance with Section 14.03 hereof.

Section 13.02. Duration of Power of Attorney.

(a) It is expressly intended by the Investor Members, the State Credit Member, and the Managing Member that the power of attorney granted under Section 13.01 hereof (the "Power of Attorney") is coupled with an interest, and it is agreed that the Power of

Attorney shall survive (i) the death, dissolution or incompetency of any Investor Member or Managing Member, and (ii) the assignment by any Investor Member of the whole or any portion of its Interest, except that, where the transferee of the Interest has been approved by the Managing Member for admission to the Company as a Substituted Investor Member and/or Substituted State Credit Member, the Power of Attorney shall survive such transfer for the sole purpose of enabling the Attorney to execute, acknowledge and file any instrument or document necessary to effect such substitution.

(b) Notwithstanding the foregoing, the Power-of-Attorney granted herein will lapse with respect to a Managing Member upon the occurrence of an event which would allow the Investor Member to remove the Managing Member.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Brokers. To the extent permitted by law, each Member shall and does hereby covenant and agree, absolutely, unconditionally and irrevocably, to indemnify and hold harmless the Company and the other Members from any damages, claims, expenses or losses incurred by the indemnitee by reason of any brokerage or finder's agreement made by the indemnifying Member with respect to the transactions contemplated by this Agreement.

Section 14.02. Notice. Any notice required to be given hereunder shall be in writing and either hand delivered or mailed by certified mail, postage prepaid, simultaneously to all parties at the addresses set forth below. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Any Member may require notices to be sent to a different address by giving notice to the Company in accordance with this Section 14.02.

If to the Managing Member:

Tammen Hall Manager LLC
℅ MGL Manager LLC
1936 W 33rd Avenue
Denver, Colorado 80211
Attention: Lisa Mullins

with a copy to:

Faegre Baker Daniels
1700 Lincoln Street, Ste. 3200
Denver, CO 80203
Attention: J. William Callison

If to the Investor Member:

MHEG Fund 48, LP
℅ Midwest Housing Equity Group, Inc.
515 N 162nd Avenue, Suite 202
Omaha, NE 68118

with a copy to:

Kutak Rock LLP
1650 Farnam Street
Omaha, NE 68102-2186
Attention: Gregg S. Yeutter, Esq.

If to the Special Member:

Midwest Housing Assistance Corporation
515 N 162nd Avenue, Suite 202
Omaha, NE 68118
Attention: President

If to the State Credit Member:

ATEP Tammen Hall, LLC
c/o Advantage Capital
190 Carondelet Plaza, Suite 1500
St. Louis, MO 63105
Attention: Jonathan Goldstein

Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the date of receipt indicated on the receipt, if the notice

is accepted, and from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed. Additionally, all notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier or three (3) business days after being deposited in the United States mail as required above. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, demand or request sent. By giving to the other parties hereto at least fifteen (15) days' prior written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

NOTWITHSTANDING ANYTHING TO THE CONTAINED HEREIN TO THE CONTRARY, A COPY OF ANY NOTICE, REPORT, FINANCIAL STATEMENT, CERTIFICATE OR OTHER DOCUMENT PROVIDED HEREUNDER TO THE INVESTOR MEMBER AND/OR SPECIAL MEMBER, INCLUDING BUT NOT LIMITED TO INFORMATION PROVIDED TO MEMBERS PURSUANT TO SECTION 12.06, SHALL BE PROVIDED IN SUBSTANTIALLY THE SAME TIME AND MANNER TO THE STATE CREDIT MEMBER BY THE MANAGING MEMBER.

Section 14.03. Amendments. This Agreement may be amended or modified only by a written amendment executed by all the Members (provided that Class B Special Member shall only be required to execute amendments that materially affect Class B Special Member's rights and responsibilities under this Agreement as heretofore provided); provided, however, that any amendment necessary to effectuate the provisions of Section 8.04 of this Agreement shall not require the signature or execution of the Managing Member. Notwithstanding anything to the

contrary contained herein, the Managing Member may not take any action directly or through any of its Affiliates that would change any of the rights or obligations of the State Credit Member in the Company, including but not limited to, any amendment or action that would result in a reduction of the State Credits, a reduction of 100% allocation of the State Credits or a change in an allocation or distribution right, without the Consent of the State Credit Member

Section 14.04. WAIVER OF TRIAL BY JURY. EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT HEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

Section 14.05. Meetings. Meetings of the Company may be called by the Managing Member for any matter for which the Members may vote as set forth in this Agreement or to obtain information concerning the Company. A list of names and addresses of all Members shall be maintained as part of the books and records of the Company and shall be made available upon request to any Member or its representative at cost. Upon receipt of a request by a Member, either in person or by registered mail, stating the purposes of the meeting, the Managing Member shall provide the Members, within 10 days after receipt of such request, written notice of a meeting and the purpose of such meeting to be held on a date not less than 15 nor more than 30 days after receipt of such request, at a time and place within or without the State convenient to the Members.

Section 14.06. Entire Agreement. This Agreement and all other written agreements referred to herein constitute the entire agreement among the parties and supersede any prior agreements or understandings among them with respect to the subject matter hereof.

Section 14.07. Headings. All article and section headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any article or section.

Section 14.08. Separability Provisions. If the operation of any provision of this Agreement would contravene the provisions of the Act, or would result in the imposition of general liability on any Investor Member or the State Credit Member, such provision only shall be void and ineffectual.

Section 14.09. Binding Agreement. This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns, except as otherwise provided herein.

Section 14.10. Counterparts. This Agreement may be executed in several counterparts, and all so executed shall constitute one agreement, binding on all the parties hereto. Any

counterpart of this Agreement, which has attached to it separate signature pages which together contain the signatures of all Members or is executed by an attorney-in-fact on behalf of some or all of the Members, shall for all purposes be deemed a fully executed instrument.

This Agreement may be executed as facsimile originals and each copy of this Agreement bearing the facsimile transmitted signature of any party's authorized representative shall be deemed to be an original. Notwithstanding the validity of the facsimile originals, it is intended that this Agreement be manually executed and delivered to the Investor Members and the State Credit Member and the Investor Members and State Credit Member shall have the right to require that executed original documents be provided to it. The Investor Member will then have the appropriate signature manually affixed to the Agreement and return executed copies to the appropriate parties.

Section 14.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State, without regard to principles of conflicts of laws.

Section 14.12. Time of Admission. Each Investor Member and the State Credit Member shall be deemed to have been admitted to the Company as of the first day of the month in which it became an Investor Member or State Credit Member for all purposes of this Agreement, including Article IV.

Section 14.13. Forbearance Is Not Waiver; No Continuing Waiver. No act, omission, course of dealing, forbearance or indulgence by the Investor Members or State Credit Member, whether by their officers, agents, employees or otherwise, shall be treated as waiver of any of their respective rights under this Agreement or the Project Documents. No waiver by a party hereto of (i) any breach of this Agreement or (ii) any full or partial condition for performance hereunder shall be effective unless in a writing executed by such party. No waiver shall operate as or be construed to be a waiver of any subsequent breach or condition

ARTICLE XV

CLASS B SPECIAL MEMBER

The Class B Special Member is being admitted to the Company as of the date of this Agreement pursuant to the to-be-executed Addendum. The rights, duties and responsibilities of the Class B Special Member are as set forth in such Addendum. Upon request by the Investor Member or the State Credit Member, the Managing Member shall repurchase the interest of the Class B Special Member in the Company pursuant to such Addendum. In no event shall the Managing Member consent to an assignment or transfer by the Class B Special Member of its Interest in the Company (including, without limitation, transfers to a parent, subsidiary or affiliate) unless the Managing Member has received the Consent of the Investor Member and the State Credit Member.

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year first above written.

MANAGING MEMBER:

TAMMEN HALL MANAGER LLC

By: MGL Manager LLC, its Managing Member

By: _____
Name: Gregory D. Glade
Title: Manager

WITHDRAWING INVESTOR MEMBER:

SOLVERA ADVISORS, LLC

By: _____
Name: Gregory D. Glade
Title: Manager

INVESTOR MEMBER:

MHEG FUND 48, LP

By: MHEG 2017 Fund Manager, LLC

By: Midwest Housing Equity Group, Inc.

By: _____

Name John J. Wiechmann

Title President

SPECIAL MEMBER:

MIDWEST HOUSING ASSISTANCE CORPORATION

By _____

Name John J. Wiechmann

Title President

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the day and year first above written.

STATE CREDIT MEMBER:

ATEP TAMMEN HALL, LLC

By: ACMC Tax Equity Partners, LLC, a Louisiana limited liability company, its manager

By: Advantage Capital Management Corporation, a Louisiana corporation, its manager

By:_____
Name: Jonathan I. Goldstein
Title: Managing Director

DEVELOPER CONSENT

By its signature below, the Developer hereby agrees to the provisions of this Agreement pertaining to the terms of, or potentially affecting the payment of, its Developer Fee, including, without limitation, Sections 3.05, 3.06, 3.07, 3.08, 7.02 and 8.04(b) hereof.

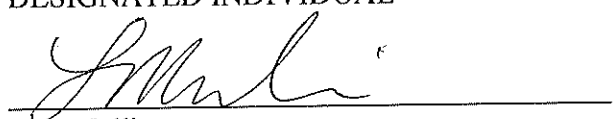
SOLVERA AH DEVELOPERS, LLC

By: _____
Name: Greg D. Glade
Title: Manager

DESIGNATED INDIVIDUAL ACKNOWLEDGEMENT

The undersigned "designated individual" for the Company acknowledges and agrees to be bound by the terms of Section 6.02(c) of this Agreement.

DESIGNATED INDIVIDUAL



Lisa Mullins

MANAGEMENT AGENT CONSENT

By its signature below, the Management Agent hereby agrees to the provisions of Article XI of this Agreement pertaining to, among other things, modification or termination of the Management Agreement and the provisions of Article XI shall control notwithstanding anything to the contrary in the Management Agreement.

SILVA-MARKHAM PARTNERS, LLC

By A. Silva.
Name ALFONSO SILVA
Title President & CEO

EXHIBIT A

LEGAL DESCRIPTION OF APARTMENT COMPLEX

A leasehold estate in and to the ground as created by Ground Lease dated January 31, 2017, between Sisters of Charity of Leavenworth Health Systems, Inc., landlord, and Tammen Hall Apartments LLC, tenant, as disclosed by Short Form of Ground Lease and Quitclaim of Improvements recorded June 30, 2017 at Reception No. 2017086402, as to the following described property:

Parcel A:

A portion of Lot 1, Block 2, Exempla Saint Joseph Hospital Campus Filing No. 1, as filed in the City and County of Denver Clerk and Recorder's Office at Reception No. 2011136840; situated in the Southwest Quarter of Section 35, Township 3 South, Range 68 West of the Sixth Principal Meridian, City and County of Denver, State of Colorado, more particularly described as follows;

Beginning at the Northwest corner of said Lot 1, Block 2; thence along the North boundary of said Lot 1 the following five (5) courses;

1) **Thence N85°45'17"E a distance of 62.84 feet;**

2) **Thence along a curve to the right with a radius of 166.00 feet, an arc length of 47.04 feet, a central angle of 16°14'05", and a chord bearing S82°07'40"E a distance of 46.88 feet;**

3) **Thence N89°49'55"E a distance of 35.86 feet;**

4) **Thence S00°16'04"E a distance of 10.24 feet;**

5) **Thence S74°02'29"E a distance of 2.62 feet to a point of non-tangency;**

Thence along a non-tangent curve to the left with a radius of 51.00 feet, an arc length of 13.94 feet, a central angle of 15°39'48", and a chord bearing of S08°26'02"W a distance of 13.90 feet; Thence S00°18'33"E a distance of 87.95 feet; Thence S89°46'36"W a distance of 145.45 feet to a point on the West boundary of said Lot 1; Thence N00°14'43"W, along the West boundary of said Lot 1, a distance of 119.28 feet to the point of beginning.

Parcel B:

A portion of Lot 1, Block 2, Exempla Saint Joseph Hospital Campus Filing No. 1, as filed in the City and County of Denver Clerk and Recorder's Office at Reception No. 2011136840; situated in the Southwest Quarter of Section 35, Township 3 South, Range 68 West of the

Sixth Principal Meridian, City and County of Denver, State of Colorado, more particularly described as follows;

Commencing at the Northwest corner of said Lot 1, Block 2; Thence S00°14'43"E, along the West line of said Lot 1, a distance of 119.28 feet to the Point of Beginning; Thence N89°46'36"E a distance of 145.45 feet; Thence S00°18'33"E a distance of 5.86 feet; Thence S44°15'52"W a distance of 9.84 feet; Thence along a curve to the right with a radius of 34.14 feet, an arc length of 18.87 feet, a central angle of 31°40'44", and a chord bearing S60°06'14"W a distance of 18.63 feet to a point of non-tangency; Thence S73°20'00"W a distance of 8.53 feet; Thence along a non-tangent curve to the left with a radius of 42.82 feet, an arc length of 73.95 feet, a central angle of 98°56'28", and a chord bearing S21°29'42"W a distance of 65.10 feet to a point of non-tangency; Thence S89°46'36"W a distance of 90.06 feet to a point on the West boundary of said Lot 1; Thence N00°14'43"W, along the West boundary of said Lot 1, a distance of 85.00 feet to the Point of Beginning.

Parcel C:

Easement for access and utilities and for parking as contained in Access, Utility and Parking Easement Agreement recorded June 30, 2017 at Reception No. 2017086434.

AND

Fee title to the improvements on the following described property:

Parcel D:

A portion of Lot 1, Block 2, Exempla Saint Joseph Hospital Campus Filing No. 1, as filed in the City and County of Denver Clerk and Recorder's Office at Reception No. 2011136840; situated in the Southwest Quarter of Section 35, Township 3 South, Range 68 West of the Sixth Principal Meridian, City and County of Denver, State of Colorado, more particularly described as follows;

Beginning at the Northwest corner of said Lot 1, Block 2; thence along the North boundary of said Lot 1 the following five (5) courses;

1) Thence N85°45'17"E a distance of 62.84 feet;

2) Thence along a curve to the right with a radius of 166.00 feet, an arc length of 47.04 feet, a central angle of 16°14'05", and a chord bearing S82°07'40"E a distance of 46.88 feet;

3) Thence N89°49'55"E a distance of 35.86 feet;

4) Thence S00°16'04"E a distance of 10.24 feet;

5) Thence S74°02'29"E a distance of 2.62 feet to a point of non-tangency;

Thence along a non-tangent curve to the left with a radius of 51.00 feet, an arc length of 13.94 feet, a central angle of 15°39’48”, and a chord bearing of S08°26’02”W a distance of 13.90 feet; Thence S00°18’33”E a distance of 87.95 feet;

Thence S89°46’36”W a distance of 145.45 feet to a point on the West boundary of said Lot 1; Thence N00°14’43”W, along the West boundary of said Lot 1, a distance of 119.28 feet to the point of beginning.

EXHIBIT B

ARCHITECT'S CERTIFICATION

The undersigned, being a duly licensed architect registered in the State of Colorado, has prepared for Tammen Hall Apartments LLC, (the "Project Owner") detailed specifications and floor plans dated [**DATE**] (collectively, the "Plans and Specifications") in connection with the rehabilitation of certain real property located in Denver, Colorado (the "Premises") for which the undersigned acknowledges will receive low income housing tax credits under Section 42 of the Internal Revenue Code.

Accordingly, the undersigned hereby certifies to the Project Owner, MHEG Fund 48, LP, ATEP Tammen Hall, LLC, Midwest Housing Equity Group, Inc. and the Colorado Housing and Finance Authority that:

To the best of our knowledge, information and belief, the Plans and Specifications comply with and conform with applicable codes, have been duly filed with and have been approved by all appropriate governmental and municipal authorities having jurisdiction there over, and to the best of our knowledge, information and belief, the Premises as shown on the Plans and Specifications is in compliance with all requirements and restrictions of all applicable zoning, building, fire, health and other governmental ordinances, rules and regulations and the requirements of the appropriate board of fire underwriters or other similar body acting in and for the locality in which the Premises is located. All conditions to the issuance of building permits have been satisfied.

In the opinion of the undersigned, based upon bi-weekly visits to the site, the Premises has been constructed in a good and workman-like manner substantially in accordance with the Plans and Specifications, as may be amended through the course of construction, and is free and clear of

any damage or structural defects that would in any material respect affect the value of the Premises. In the further opinion of the undersigned, all of the preconditions have been met justifying the issuance of (i) the permanent certificate or certificates of occupancy for the Premises (or the letter or certificate of compliance or completion stating that the construction complies with all requirements and restrictions of all governmental ordinances, rules and regulations) and (ii) such other necessary approvals, certificates, permits and licenses that may be required from such governmental authorities having jurisdiction there over pertaining to the construction of the Premises.

The Premises as constructed are in compliance with all applicable current zoning and other applicable laws, ordinances, rules and regulations, restrictions and requirements, including, without limitation, A) The Age Discrimination Act of 1975 (42 U.S.C. 6101-07), (B) The Fair Housing Act (42 U.S.C. 3601-19), (C) the Americans with Disabilities Act (42 U.S.C. 1201 *et seq.*); and (D) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

Accessible Building Entrance on an Accessible Route: Covered multifamily dwellings must have at least one building entrance on an accessible route, unless it is impractical to do so because of terrain or unusual characteristics of the site. For all such dwelling with a building entrance on an accessible route the following six requirements apply.

Accessible and Usable Public and Common Use Areas: Public and common use areas must be readily accessible to and usable by people with disabilities.

Usable Doors: All doors designed to allow passage into and within all premises must be sufficiently wide to allow passage by persons in wheelchairs.

Accessible Route Into and Through the Covered Dwelling Units: There must be an accessible route into and through the dwelling units, providing access for people with disabilities throughout the unit.

Light Switches, Electrical Outlets, Thermostats and Other Environmental Controls in Accessible Locations: All premises within the dwelling units must contain light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

Reinforced Walls for Grab Bars: All premises within dwelling units must contain reinforcements in bathroom walls to allow later installation of grab bars around toilet, tub, shower stall and shower seat, where such facilities are provided.

Usable Kitchens and Bathrooms: Dwelling units must contain usable kitchens and bathrooms such that an individual who uses a wheelchair can maneuver about the space.

The above can be found in the Fair Housing Act Design Manual.

And, to the best of our knowledge, information and belief, there are no building or other municipal violations filed or noted against the Premises. All necessary gas, steam, telephone, electric, water and sewer services and other utilities required to adequately service the Premises are now available to the Premises. All street drainage, water distribution and sanitary sewer systems have been accepted for perpetual maintenance by the appropriate governmental authority or utility.

The Plans and Specifications do not require the installation or use of any asbestos containing materials in connection with the construction or use of the Premises.

Dated**: [DATE]**

ARCHITECT SIGNATURE: _____

[NAME]
[COMPANY]

EXHIBIT C

MANAGING MEMBER CERTIFICATE

[DATE]

Signatory is the manager of MGL Manager LLC, the manager of Tammen Hall Manager LLC, the Managing Member of Tammen Hall Apartments LLC (the "**Company**"), and has made due investigation as to the matters hereinafter set forth and does hereby certify the following to induce MHEG Fund 48, LP (the "**Investor Member**") and ATEP Tammen Hall, LLC (the "**State Credit Member**") to make a Capital Contribution to Company pursuant to the terms of the First Amended and Restated Operating Agreement of the Company dated December 1, 2017 (the "**Operating Agreement**"). Capitalized terms used and not otherwise defined herein shall have the respective meanings given to them in the Company Agreement.

1. The improvements constituting the Apartment Complex have been completed in a good and workmanlike manner, substantially in accordance with the Plans for the Apartment Complex, the construction/rehabilitation and materials used therein are substantially according to the Plans, and the work has been accomplished to entitle the Company to the requested Capital Contribution.

2. The Apartment Complex complies in all material respects with applicable statutes, regulations, rules, ordinances, codes, licenses, permits, orders and approvals of any governmental agencies, departments, commissions, bureaus, boards or instrumentalities of the United States, the state in which the Apartment Complex is located and the political subdivisions thereof, including, with but not limited to, A) The Age Discrimination Act of 1975 (42 U.S.C. 6101-07)], (B) The

Fair Housing Act (42 U.S.C. 3601-19), (C) the Americans with Disabilities Act (42 U.S.C. 1201 *et seq.*); and (D) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

3. No mechanics' or other liens have been or will be filed against the Apartment Complex. Each person, including the Contractor, providing any material or performing any work in connection with the Apartment Complex has been paid in full or bonded. All withholding taxes have been paid and lien waivers have been obtained from the Contractor, all other contractors, subcontractors and suppliers who have performed work or supplied materials in connection with the construction/rehabilitation of the improvements of the Apartment Complex.

4. All of the representations, warranties and covenants contained in the Operating Agreement and all of the Project Documents are true and correct in all material respects as of the date hereof. Each Managing Member, Company and Guarantor (as applicable) that is an Entity are in good standing and authorized to engage in the activities as set forth in the Operating Agreement. In addition, there have been no changes or amendments to the articles, bylaws, certificates or other organizational documents, as appropriate, of Managing Member, Company or any Guarantor (as applicable) that is an Entity, except as previously provided to the Investor Members and State Credit Member. The Managing Member has satisfied all of its obligations set forth in the Operating Agreement, including, without limitation, the consent, funding and reporting requirements relating to change orders and budget increase or reduction under Article VI of the Operating Agreement and the delivery of all required financial and other reports pursuant to Article 12 of the Operating Agreement.

5. No default and no event of default exist under the Company Agreement or any other Project Documents.

6. Construction/rehabilitation of the Apartment Complex has been carried on with reasonable dispatch and has not been discontinued at any time. The Apartment Complex has not been damaged by fire or other casualty, and no part of the property underlying the Apartment Complex has been taken by eminent domain and no proceedings or negotiations therefor are pending or threatened.

7. Nothing has occurred subsequent to the date of the Operating Agreement which has or may result in the creation of any lien, charge or encumbrance upon the Apartment Complex or any part thereof, or anything affixed thereto or used in connection therewith, or which has or may substantially and adversely impair the ability of the Company to make all payments of principal and interest on any of the Project Loan documents, the ability of the Managing Member to meet its obligations under the Operating Agreement, or the ability of the Guarantor(s) to meet their obligations under the Guaranty delivered in connection with the Company Agreement.

8. All required permits, certificates, licenses and other governmental approvals required to commence, continue and complete the work described in the Plans have been obtained and are in full force and effect.

9. The Managing Member has delivered satisfactory evidence that it has satisfied the radon testing requirements contained in the Operating Agreement.

10. [Reserved].

MANAGING MEMBER:

TAMMEN HALL MANAGER LLC

By: MGL Manager LLC, its Managing Member

By: _____
Name: _____
Title: _____

EXHIBIT D

INSURANCE REQUIREMENTS

OWNER'S COVERAGE REQUIREMENTS:

Owner shall procure and maintain in full force and effect, at its sole cost and expense, general liability coverage with limits of at least $1,000,000 per occurrence / $2,000,000 aggregate. Coverage shall be written on an occurrence basis, providing protection for any and all claims, including bodily injury, personal injury and property damage.

Owner shall procure and maintain in full force and effect, at its sole cost and expense, Umbrella Liability coverage in an amount of at least $2,000,000. This coverage will be excess of the Owner's General Liability, Automobile and Workers Compensation Coverage.

Worker's Compensation & Employer's Liability Insurance in accordance with the requirements of the State of Colorado. Employers Liability limits should be no less than:

$500,000 each employee
$500,000 each accident
$500,000 policy limit

Property Hazard (fire and extended coverage)

Owner shall secure and maintain in full force and effect, at its sole cost and expense, a Property Policy providing coverage for the building and its contents on a replacement cost basis. (Coverage limits must equal the full replacement cost of the building and its contents). Coverage should apply for all the hazards and perils normally covered by the causes of loss special form. Equipment Breakdown is to be included.

Business Income/Loss of Rents should be provided on an actual loss sustained basis for at least a 12 month period. Coinsurance should be waived, but if elected, not higher than 80%. If Actual Loss Sustained is not available the minimum limit should be the 12 month rental value for the property.

Building Ordinance Coverage should be secured, with coverage A equal to the building limit, coverage B/C should have a limit of $100,000 or 10% of the building value, whichever is higher.

Flood is required when the property is within the 100-500 year flood plains (zones A,B,V or shaded X).

Earthquake is required if Mercali zone is at a 5 or higher or subject to New Madrid Fault line.

Sprinkler Leakage Coverage is required for all sprinklered buildings.

$5,000 maximum deductible, with the exception of wind/hail, where $10,000 is acceptable. All deductibles are to be on a per occurrence basis. No per building deductibles will be acceptable. If allowable within the state, policy forms should provide coverage for punitive damages.

Owner shall secure and maintain Automobile Liability, including hired & non owned auto, with a combined single limit of $1,000,000.

If allowable within the state, policy should provide coverage for punitive damages.

Included as loss payee on property policy:

MHEG Fund 48, LP
515 N 162nd Avenue, Suite 202
Omaha, NE 68118

and

ATEP Tammen Hall, LLC
c/o Advantage Capital Fund
190 Carondelet Plaza, Suite 1500
St. Louis, MO 63105

All insurance companies providing coverage shall carry a rating of A- or better and Financial Size Category VI or greater by Best's Key Rating Guide.

On all certificates, Identify project as:

Tammen Hall Apartments LLC commonly known as Tammen Hall Apartments, containing 49 units located at 1010 E. 19th Avenue, Denver, Denver County, CO 80218.

Revise the Cancellation Statement on the Certificate to Read precisely as Follows:

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will mail 30 days (10 days for cancellation due to nonpayment of premium) written notice to the certificate holder.

Named Insured should read:

TAMMEN HALL APARTMENTS LLC
% MGL PARTNERS LLC
1936 W 33RD AVE
DENVER, CO 80211

and

MHEG FUND 48, LP

515 N 162ND AVENUE, SUITE 202
OMAHA, NE 68118

and

ATEP TAMMEN HALL, LLC
C/O ADVANTAGE CAPITAL FUND
190 CARONDELET PLAZA, SUITE 1500
ST. LOUIS, MO 63105

and

COLORADO HOUSING AND FINANCE AUTHORITY
1981 BLAKE STREET
DENVER, CO 80202

During Construction. Between the General Contractor and Tammen Hall Apartments LLC (the "Owner") the following insurance must be obtained:

General Contractor or Owner's Coverage Requirements:

Contractor shall procure and maintain in full force and effect, general liability coverage with limits of at least $1,000,000 per occurrence / $2,000,000 aggregate. Coverage shall be written on an occurrence basis, providing protection for any and all claims, including bodily injury, personal injury and property damage.

Contractor or Owner shall procure and maintain in full force and effect, Umbrella Liability coverage in an amount of at least $2,000,000. This coverage will be excess of the Contractor's General Liability, Automobile and Workers Compensation Coverage.

Worker's Compensation & Employer's Liability Insurance in accordance with the requirements of the State of Colorado. Employers Liability limits should be no less than:

$500,000 each employee
$500,000 each accident
$500,000 policy limit

Automobile coverage (including hired & non owned auto) with coverage of at least $1,000,000 CSL.

Contractor shall secure a builders risk policy covering the full replacement value of the project. Coverage shall adhere to the following provisions:

- Coverage should apply for all the hazards and perils normally covered by the causes of loss – special form.
- Coverage should be written on a replacement cost basis at a value that adequately covers the building, construction materials and activities. Coverage should apply to property while on site, at a temporary location or in transit.
- Coverage should include flood when the property is within the 100–500 year flood plains (zones A, B, V or shaded X)
- Coverage should include earthquake if Mercali zones is at a 5 or higher or subject to New Madrid Fault Line
- Coverage should include the permission to occupy endorsement.
- Testing coverage should be included
- Business/Rental Income should be provided within the policy. Based on the pro forma financials of the project, and adequate business income limit should be established.
- Deductibles should not exceed $10,000
- The debris removal limit should equal no less than 25% of the loss.

The property location or description must be clearly stated on each evidence of property and certificate of liability received.

All insurance companies providing coverage shall carry a rating of A- or better and Financial Size Category VI or greater by Best's Key Rating Guide.

Identify as Additional Insureds and Certificate Holders:

TAMMEN HALL APARTMENTS LLC
℅ MGL PARTNERS LLC
1936 W 33RD AVE
DENVER, CO 80211

and

MHEG FUND 48, LP
515 N 162ND AVENUE, SUITE 202
OMAHA, NE 68118

and

ATEP TAMMEN HALL, LLC
C/O ADVANTAGE CAPITAL FUND
190 CARONDELET PLAZA, SUITE 1500
ST. LOUIS, MO 63105

and

COLORADO HOUSING AND FINANCE AUTHORITY
1981 BLAKE STREET
DENVER, CO 80202

SCHEDULE A

PARTNER AND ADDRESS	CAPITAL CONTRIBUTION	INTEREST
Managing Member: Tammen Hall Manager LLC 1936 W. 33rd Avenue Denver, CO 80211	$10*	0.005%
Investor Member: MHEG Fund 48, LP c/o Midwest Housing Equity Group, Inc. 515 N 162nd Avenue, Suite 202 Omaha, NE 68118	$7,773,794**	98.99%
State Credit Member: ATEP Tammen Hall, LLC c/o Advantage Capital Fund 190 Carondelet Plaza, Suite 1500 St. Louis, MO 63105	$2,497,777**	1.00
Special Member: Midwest Housing Assistance Corporation c/o Midwest Housing Equity Group, Inc. 515 N 162nd Avenue, Suite 202 Omaha, NE 68118	$10	See Article IV
Class B Special Member: Denver Housing Development Partners, Inc. 777 Grant St. Denver, CO 80203	$10	See Addendum

* Payable as provided in Section 3.01 of this Agreement.

** Payable subject to the terms and conditions of Section 3.03 of this Agreement.

FIRST AMENDMENT TO
FIRST AMENDED AND RESTATED OPERATING AGREEMENT

OF

TAMMEN HALL APARTMENTS LLC

This First Amendment to First Amended and Restated Operating Agreement of Tammen Hall Apartments LLC (the "Company") is dated as of June 5, 2018 (the "First Amendment") by and between Tammen Hall Manager LLC, a Colorado limited liability company (the "Managing Member"), ATEP Tammen Hall LLC, a Colorado limited liability company (the "State Credit Member"), MHEG Fund 48, LP, a Nebraska limited partnership (the "Investor Member") and Midwest Housing Assistance Corporation, a Nebraska corporation (the "Special Member").

WHEREAS, the Company was formed as a Colorado limited liability company pursuant to those Articles of Organization filed with the Filing Office on January 19, 2016, and that Original Company Agreement dated as of January 19, 2016, as amended by the First Amended and Restated Operating Agreement dated as of December 1, 2017 (the "Restated Agreement"); and

WHEREAS, the parties desire to amend the Restated Agreement to: (i) amend Sections 4.02(a) and 4.02(b) of the Restated Agreement in connection with the Second Mortgage Loan and the anticipated admission of Denver Housing Development Partners, Inc. as the Company's Class B Special Member, and (ii) add the tax concepts required by recent federal legislation.

NOW, THEREFORE, the parties agree that the Operating Agreement shall be amended as follows:

1. Section 2.01 of the Restated Agreement is hereby amended by adding the definition of "Budget Act" as follows:

   "*Budget Act*" means the Bipartisan Budget Act of 2015, Pub. L. No. 114-74."

2. Subsection (iv) of the definition of "Construction Completion" in Section 2.01 of the Restated Agreement is hereby deleted and replaced with the following:

   "(iv) The Second Mortgage Loan as closed and funded in an amount and term reasonably satisfactory to the Investor Member;"

3. The reference to "$2,000,000" in the definition of "Construction Loan" in Section 2.01 of the Restated Agreement is hereby deleted and replaced with "$2,500,000".

4. Subsection (i) of the definition of "Debt Service Coverage Ratio" in Section 2.01 of the Restated Agreement is hereby deleted and replaced with the following:

"(i) $3,500,000 bearing an interest rate of approximately 5.24% and having a 15-year term and 35-year amortization period (or, if different, the amount, rate and amortization period in effect for the Company's actual permanent financing amount that has closed and funded)."

5. The definition of "Designated Individual" in Section 2.01 of the Restated Agreement is hereby amended as follows:

"*Designated Individual*" means the individual appointed by the Partnership Representative to serve as the "designated individual" pursuant to Treas. Reg. Section 301.6223-1(b)(3) and who is the sole party through whom the Partnership Representative shall act pursuant to the Revised Partnership Audit Procedures."

6. The definition of "First Mortgage Loan" in Section 2.01 of the Restated Agreement is hereby deleted and replaced with the following:

"*First Mortgage Loan*" means the first mortgage tax-exempt bond from the Colorado Housing and Finance Authority (as governmental lender receiving a loan from Citibank, N.A.) to the Company in the approximate amount of $3,500,000 bearing interest at approximately 5.24% per annum, having a 15-year term and a 420-month amortization period.

7. The reference to "June 1, 2018" in the definition of "Funding Date" in Section 2.01 of the Restated Agreement is hereby deleted and replaced with "June 15, 2018".

8. Section 2.01 of the Restated Agreement is hereby amended by adding the definition of "Partnership Representative" as follows:

""*Partnership Representative*" means the Managing Member or such other Person designated to serve as the "partnership representative" under Section 6623 of the Code, as in effect pursuant to the Budget Act."

9. Section 2.01 of the Restated Agreement is hereby amended by adding the definition of "Revised Partnership Audit Procedures" as follows:

""*Revised Partnership Audit Procedures*" means the revised partnership audit rules contained in Subchapter 63C of the Code, as amended by the Budget Act and the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, and the Treasury Regulations promulgated thereunder."

10. The reference to "and the Second Mortgage Loan" in subsection (I) to the definition of "Stabilization" in Section 2.01 of the Restated Agreement is hereby deleted in its entirety.

11. Section 2.01 of the Restated Agreement is hereby amended by deleting in its entirety references to "Tax Matters Member", and all references to "Tax Matters Member" throughout the Restated Agreement shall instead refer to "Partnership Representative".

12. In Section 3.03 of the Restated Agreement, the following are hereby deleted and replaced as indicated: (i) the reference to "$7,773,794" is replaced with "$8,714,452"; (ii) the reference to "$777,369" is replaced with "$871,435"; (iii) the reference to "$3,109,518" is replaced with "$3,485,781"; (iv) the reference to "$3,878,504" is replaced with "$4,318,779"; (v) the reference to "$8,393" is replaced with "$38,447"; (vi) the reference to "$406,595" is replaced with "$470,103"; (vii) the reference to "$1,000,000" is replaced with "$435,723"; (viii) the reference to "$2,497,777" is replaced with "$2,507,279"; (ix) the reference to "$1,510,191" is replaced with "$1,511,328"; and (x) the reference to "$2,697" is replaced with "11,062".

13. In Section 3.05 of the Restated Agreement, the following are hereby deleted and replaced as indicated: (i) all references to "$406,595" are replaced with "$470,103"; (ii) the reference to "$515,254" is replaced with "$595,733"; (iii) the reference to "$108,659" is replaced with "$125,630"; and (iv) the reference to "$5,205" is replaced with "$6,018".

14. In Section 3.06 of the Restated Agreement, the following are hereby deleted and replaced as indicated: (i) the references to "$2,903,206" are replaced with "$3,073,192"; and (ii) the references to "$29,328" are replaced with "$31,045".

15. Sections 4.02(a) and 4.02(b) of this Restated Agreement are amended and restated as follows:

Section 4.02. Cash Distributions Prior to Dissolution.

(a) ***Cash Flow.*** Provided that all reserves have been funded (including the replenishment of the Replacement Reserve), maintained and replenished as required by Section 6.10 hereof, Cash Flow, if available with respect to any Company Accounting Year, shall be applied or distributed annually, within 60 days after the end of the Company Accounting Year (but in no event earlier than the filing of a Company tax return for such year), as follows:

(i) First, to pay in full any unpaid Compliance Monitoring Fee to Midwest Housing Equity Group, Inc. and to pay in full any unpaid State Compliance Monitoring Fee to the State Credit Member, pari passu in proportion to the amounts contributed by each;

(ii) Second, to the repayment of any amounts loaned by the Investor Member or by Midwest Housing Equity Group, Inc., to the Company to cover any Operating Deficits;

(iii) Third, to the Investor Member and/or State Credit Member, as applicable and pari passu in proportion to the amounts owed to each, to the extent of any unpaid amounts due it pursuant to Sections 3.05, 3.06, 3.07, 3.08 or any other provision of this Agreement;

(iv) Fourth, the funding of the Operating Deficit Reserve Account to the extent disbursements have been made therefrom, and then to the payment of any Operating Deficit Loans made by the Managing Member;

(v) Fifth, to the payment of the SCL Health Loan as provided in the SCL Health Loan documents;

(vi) Sixth, to the payment of the Deferred Developer Fee;

(vii) Seventh, to the payment of the Second Mortgage Loan up to $33,842;

(viii) Eighth, after the admission of the Class B Special Member, to the Company's payment in lieu of taxes pursuant to the Agreement for Payment in Lieu of Taxes between the Company and The Housing Authority of the City and County of Denver ("PILOT"), and all accrued and unpaid PILOT and interest thereon;

(ix) Ninth, from 50% of the remaining balance, if any (the remaining 50% balance shall be paid in accordance with Section 4.02(a)(x)-(xiii)), to payment of the SCL Health Loan (such payment reduced by the amount of interest paid in Section 4.02(a)(v), then to the Seller Loan (first to accrued interest and then to accrued principal), then any remaining balance to the Ground Lease;

(x) Tenth, after the admission of the Class B Special Member, 25% of any remaining balance shall be deposited in the an escrow account to be established by the Company pursuant to the terms of the Addendum to First Amended and Restated Operating Agreement; and

(xi) Eleventh, 10% of the remaining balance, if any, to the Investor Member;

(xii) Twelfth, beginning the fifth full year after placement in service of the Apartments Complex, to the payment of the Incentive Management Fee (not to exceed 12% of Gross Rent Receipts in any year);

(xiii) Thirteenth, the balance (A) until the year following the end of the Federal Historic Rehabilitation Tax Credit recapture period under Code Section 50, 98.99% to the Investor Member, 0.005% to the Managing Member, 0.005% to the Class B Special Member, and 1.00% to the State Credit Member, and (B) thereafter, 90.005% to the Managing Member, 0.005% to the Class B Special Member, 1.00% to the State Credit Member, and 8.99% to the Investor Member.

(b) ***Distributions of Net Proceeds.*** Prior to dissolution of the Company, if the Managing Member shall determine from time to time that Net Proceeds are available for distribution from a Capital Event, such Net Proceeds shall be applied or distributed as follows:

(i) First, to the payment of the Second Mortgage Loan;

(ii) Second, to pay in full any unpaid Compliance Monitoring Fee to Midwest Housing Equity Group, Inc. and to pay in full any unpaid State Compliance Monitoring Fee to the State Credit Member, pari passu in proportion to the amounts contributed by each;

(iii) Third, to the repayment of any amounts loaned by the Investor Member or by Midwest Housing Equity Group, Inc. to the Company to cover any Operating Deficits;

(iv) Fourth, to the Investor Member and/or State Credit Member, as applicable and pari passu in proportion to the amounts owed to each, to the extent of any unpaid amounts due it pursuant to Sections 3.05, 3.06, 3.07, 3.08 or any other provision of this Agreement;

(v) Fifth, to fund reserves for liabilities to the extent deemed reasonable by the Managing Member;

(vi) Sixth, to the payment of the Deferred Developer Fee, then to the payment of any Operating Deficit Loans made by the Managing Member;

(vii) Seventh, to the payment of the SCL Health Loan, then to the payment of the Seller Loan;

(viii) Eighth, after the admissions of the Class B Special Member to the payment of the PILOT and all accrued and unpaid PILOT and interest thereon;

(ix) Ninth, to the payment of any Disposition Fee owed pursuant to Section 7.05; and

(x) Tenth, prior to the admission of the Class B Special Member, the balance 90% to the Managing Member, the Class B Special Member, 9% to the Investor Member, 1.00% to the State Credit Member, and 0.005% to the Special Member; and, after the admission of the Class B Special Member, the balance 90% to the Managing Member, 0.005% to the Class B Special Member, 8.99% to the Investor Member, 1.00% to the State Credit Member and 0.005% to the Special Member.

16. Section 6.02(c) of the Restated Agreement is hereby deleted and replaced with the following:

"In the event that a claim is made against the Company by the Service or Agency or the Colorado Department of Revenue (a "Claim") upon audit which, if successful, would result in an adjustment to the Capital Contributions of the Investor Members and/or the State Credit Member or a payment obligation pursuant to Sections 3.05, 3.06, 3.07, 3.08, or which would affect the amount or timing of State Credits allocated to the State Credit Member, the characterization of the capital contribution of the State Credit Member or its status as a member, the Partnership Representative shall, within five business days of receiving notice of such Claim, notify the Investor Members and/or the State Credit Member of the Claim (such notice being referred to as a "Claim Notice") and request that the Investor Member and/or the State Credit Member notify the Company of its intention either to contest such Claim or to accept the same. If the Investor Member or State Credit Member elects to contest such Claim, the Partnership Representative shall take such action in contesting such Claim on behalf of the Company and the Members as the Investor Member and State Credit Member reasonably deem necessary. In such event, all reasonable third party costs and expenses incurred by the Partnership Representative in connection with such matter shall be borne by the Company. The failure of the Investor Member or the State Credit Member, within 30 days after the date of the Claim Notice, to notify the Company of their intention to contest such Claim shall be deemed to be a decision to accept the same.

In the event that the Investor Member or the State Credit Member elects to accept such Claim, the Partnership Representative may nevertheless contest the Claim. If, following a decision by the Partnership Representative to contest a Claim, 50% or more of the deficiency amount specified in the Claim is sustained in a Final Determination or paid in settlement of the Claim, the costs and expenses of contesting the Claim shall be borne solely by the Partnership Representative. If such Final Determination results in less than 50% of the deficiency amount specified in the Claim being upheld, the costs and expenses of contesting the Claim shall be borne by the Company.

Notwithstanding anything to the contrary contained herein, the Managing Member shall serve as the Partnership Representative and Lisa Mullins shall serve as the Designated Individual pursuant to Code Section 301.6223-1(b)(3), and the Managing Member shall take any and all action required under the Code or Treasury Regulations, as in effect from time to time, to designate (including on all applicable Company tax returns) itself the Partnership Representative and Lisa Mullins as the Designated Individual unless

otherwise directed by the Special Member. Should the Managing Member or Designated Individual be either: (i) removed or resign or no longer have the capacity to act; or (ii) fail to obtain the Consent of the Investor Member or Special Member as required by this Section 6.02(c) or fail to act as directed by the Investor Member or Special Member in accordance with Section 6.02(c), and to the extent permitted by the Code, the Managing Member and/or Designated Individual shall take such actions as may be necessary or appropriate to resign as Partnership Representative and/or Designated Individual and to appoint the Special Member or its designee the replacement Partnership Representative and/or Designated Individual. Upon the promulgation of Treasury Regulations implementing subchapter C of Chapter 63 of the Code (as revised by the Bipartisan Budget Act), the Managing Member will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 6.02(c), while conforming with the applicable provisions of the Revised Partnership Audit Procedures. The Managing Member shall cooperate with the Members in good faith to amend this Agreement if the Special Member determines, after consultation with the State Credit Member, that an amendment is required to maintain the intent of the parties with respect to the obligations and limitations of the Partnership Representative.

Except as set forth in the following sentence, neither the Partnership Representative nor the Designated Individual shall have the authority to (i) enter into a settlement binding on the Company with the Internal Revenue Service or any other state or local taxing authority or (ii) make elections with respect to the Revised Partnership Audit Procedures or any Treasury Regulations thereunder without the Consent of the Special Member (after consultation with the State Credit Member). Unless directed otherwise by the Special Member, after consultation with the State Credit Member, and to the extent permitted under the Code and the Treasury Regulations, the Managing Member, the Designated Individual and/or the Partnership Representative as the case may be, shall: (A) if such election is available to the Company, "elect out" pursuant to Section 6221 of the Code or (B) if such "elect out" option is not available, make the "push out" election pursuant to Section 6226 of the Code for the provisions of Subchapter C of Chapter 63 of the Code to not apply to the Company (for the avoidance of doubt, the Members hereto acknowledge such "push out" election may cause the Members to be responsible for liabilities arising out of any audits with respect to prior years in which they were Members notwithstanding that such Members may have transferred their respective interests prior to the initiation of such audit). The rights and obligations of all of the Members under this Section 6.02 shall survive any sale, exchange, liquidation, retirement or other disposition of such Members' Interests."

17. The references to "$1,429,995" in Sections 6.03(b)(v) and 6.10(nn) in the Restated Agreement are hereby deleted and replaced with "$1,503,113".

18. In Section 6.09(g) of the Restated Agreement, the following are hereby deleted and replaced as indicated: (i) the reference to "$406,595" is replaced with "$470,103"; (ii) the reference to "$515,254" is replaced with "$595,733"; (iii) the

reference to "$108,659" is replaced with "$125,630"; (iv) the reference to "$5,205" is replaced with "$6,018"; (v) the reference to "$4,107" is replaced with "$4,749"; (vi) the reference to "$5,205" is replaced with "$6,018"; and (vii) the reference to "$1,098" is replaced with "$1,269".

19. In Section 6.09(h) of the Restated Agreement, the following are hereby deleted and replaced as indicated: (i) the reference to "$2,903,206" is replaced with "$3,073,192"; and (ii) the reference to "$29,328" is replaced with "$31,045".

20. The reference to "6,015,000" in Section 6.10(a) of the Restated Agreement is hereby deleted and replaced with "$6,515,000".

21. Section 6.10(rr) is hereby added to the Restated Agreement as follows:

"(rr) If the Managing Member is the Partnership Representative, then prior to any voluntary withdrawal, sale, transfer, or assignment by the Managing Member, it shall resign as Partnership Representative and designate the Special Member or its designee as the replacement Partnership Representative and shall take all necessary actions to effectuate its resignation in accordance with the Revised Partnership Audit Procedures;"

22. In Section 7.02 of the Restated Agreement, the following are hereby deleted and replaced as indicated: (i) the reference to "$2,375,442" is replaced with "$1,675,000"; (ii) the reference to "$50,359" is replaced with "$307,008"; (iii) the reference to "$66,540" is replaced with "$307,008; (iv) the reference to "$77,630" is replaced with "$326,659"; and (v) the reference to "976,632" is replaced with "$49,509".

23. Section 8.04(c) of the Restated Agreement is hereby amended by adding the following provision to the end of the section's third sentence:

"...and with respect to its acts taken after the effective date of such removal as Partnership Representative of the Company (other than notification to the IRS of its resignation as Partnership Representative)."

24. Section 8.04(e) is hereby added to the Restated Agreement as follows:

"(e) If the Managing Member is the Partnership Representative, upon any removal of the Managing Member, the Managing Member shall have no authority to act as the Partnership Representative or take any actions to bind the Company or the Members with respect to the IRS for all future, past, and current taxable years, and the Special Member, after consultation with the State Credit Member,

shall have the authority to designate a replacement Partnership Representative and Designated Individual for all taxable years. Upon such removal, the Managing Member shall resign as Partnership Representative of the Company for all taxable years and shall take all necessary actions to effectuate such resignation in accordance with the Revised Partnership Audit Procedures, including updating the Partnership Representative contact information for the IRS as the Investor Member may specify or providing any required IRS notification to the Investor Member and/or State Credit Member to be delivered to the IRS at the time specified in the Revised Partnership Audit Procedures. The Managing Member hereby grants the Investor Member its unconditional, irrevocable, power of attorney to execute any forms, documents, or other correspondence on its behalf and in its place and stead to evidence the Managing Member's resignation as the Partnership Representative and designation of a replacement Partnership Representative. This power of attorney is coupled with an interest and is irrevocable."

25. Schedule A to the Restated Agreement is hereby deleted and replaced with the Schedule A attached to this Amendment.

26. The Managing Member represents and warrants that it has received any and all required Lender, Agency and other consents necessary for the execution of this First Amendment.

27. This First Amendment 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 First Amendment.

28. It is the intention of the parties that all questions with respect to the construction, enforcement and interpretations of this First Amendment and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the State in which the Company is formed, without regard to principles of conflicts of laws.

29. This First Amendment is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this First Amendment 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 First Amendment 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 First Amendment 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.

30. When entered into by the parties hereto, this First Amendment 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.

31. This First Amendment and any amendments hereto may be executed in several counterparts, each of which shall be deemed to be an original, 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. This First Amendment may be executed as facsimile originals and each copy of this First Amendment bearing the facsimile transmitted signature of any party's authorized representative shall be deemed to be an original.

32. Capitalized terms used herein and not otherwise defined in this First Amendment shall have the meanings ascribed to such terms in the Restated Agreement.

33. The terms and conditions of the Restated Agreement are incorporated by reference and made a part hereof, as if fully set forth herein.

34. Other than the foregoing, all other terms and conditions of the Restated Agreement shall remain in full force and effect and are ratified and confirmed in all respects by the parties hereto:

(Signatures on following page)

Signature Page to
First Amendment to
First Amended and Restated Operating Agreement

MANAGING MEMBER:

TAMMEN HALL MANAGER LLC, a Colorado limited liability company

By: MGL Manager LLC, its Managing Member

By: _____

Name: Lisa Mullins

Title: Manager

STATE CREDIT MEMBER:

ATEP TAMMEN HALL, LLC, a Colorado limited liability company

By: ACMC Tax Equity Partners, LLC, a Louisiana limited liability company, its manager

By: Advantage Capital Management Corporation, a Louisiana corporation, its manager

By: _____
Name: Jonathan I. Goldstein
Title: Managing Director

INVESTOR MEMBER:

MHEG FUND 48, LP, a Nebraska limited partnership

By: MHEG 2017 Fund Manager, LLC

By: Midwest Housing Equity Group, Inc.

By: _____
Name: John J. Wiechmann
Title: President

SPECIAL MEMBER:

MIDWEST HOUSING ASSISTANCE CORPORATION, a Nebraska corporation

By: _____
Name: John J. Wiechmann
Title: President

SCHEDULE A

PARTNER AND ADDRESS	CAPITAL CONTRIBUTION	INTEREST
Managing Member: Tammen Hall Manager LLC 1936 W. 33rd Avenue Denver, CO 80211	$10*	0.005%
Investor Member: MHEG Fund 48, LP c/o Midwest Housing Equity Group, Inc. 515 N 162nd Avenue, Suite 202 Omaha, NE 68118	$8,714,452**	98.99%
State Credit Member: ATEP Tammen Hall, LLC c/o Advantage Capital 190 Carondelet Plaza, Suite 1500 St. Louis, MO 63105	$2,507,279**	1.00%
Special Member: Midwest Housing Assistance Corporation c/o Midwest Housing Equity Group, Inc. 515 N 162nd Avenue, Suite 202 Omaha, NE 68118	$10	See Article IV
Class B Special Member: Denver Housing Development Partners, Inc. 777 Grant St. Denver, CO 80203	$10	See Addendum

* Payable as provided in Section 3.01 of this Agreement.
** Payable subject to the terms and conditions of Section 3.03 of this Agreement.

EXHIBIT B

PROJECT TIMELINE – Tammen Hall

Financial Closing date:	July 31, 2018
General Contractor Notice to Proceed:	August 1, 2018
Construction Completion Ready to be occupied - date:	September 1, 2019
Lease-up completion date:	November 1, 2019

Construction Period Sources and Uses and Project Activities

SOURCES AND USES (Construction)

Sources	Total	%
Construction Loan	$13,000,000	60.9%
SCL Note	$580,000	2.7%
Denver	$735,000	3.4%
SCL Seller Carryback	$1,700,000	8.0%
Deferred Developer Fee	$0	
LIHTC - 4% & Fed Hist TC	$855,055	25.0%
LIHTC – State TC	Incl above	
Historic TC - Federal	incl above	
Historic TC - State	$0	
Total	**$16,870,055**	**100.0%**

Uses	Total	%
Land	$0	
Existing Improvements	$1,700,000	10.1%
Hard Costs	$11,830,920	70.1%
Soft Costs	$2,263,580	13.4%
Developer Fee	$307,008	1.8%
Reserves	$768,547	4.6%
Total	**$16,870,055**	**100.0%**

Project Activities	Project Cost	City Funds	Other Funds
Construction Hard & Soft Costs	$14,094,500	$735,000	$13,359,500

EXHIBIT C

FINANCIAL ADMINISTRATION:

1.1 Compensation and Methods of Payment

1.1.1 Disbursements shall be processed through the Office of Economic Development (OED) - Financial Management Unit (FMU) and the City and County of Denver's Department of Finance.

1.1.2 The method of payment to the Contractor by OED shall be in accordance with established FMU procedures for line-item reimbursements. The Contractor must submit expenses and accruals to OED on or before the last day of each month for the previous month's activity. Voucher requests for reimbursement of costs should be submitted on a regular and timely basis in accordance with OED policies. Vouchers should be submitted within thirty (30) days of the actual service, expenditure or payment of expense, except for the final voucher for reimbursement.

1.1.3 The Contractor shall submit the final voucher for reimbursement no later than **forty-five (45) days after the end of the contract period**.

1.1.4 The Contractor shall be reimbursed for services provided under this Agreement according to the approved line-item reimbursement budget attached to and made a part of this Agreement (Exhibit A).

1.2 Vouchering Requirements

1.2.1 In order to meet Federal Government requirements for current, auditable books at all times, it is required that all vouchers be submitted monthly to OED in order to be paid.

a. The first exception will be that expenses cannot be reimbursed until the funds under this contract have been encumbered.

b. The second exception will be that costs cannot be reimbursed until they total a minimum of $35 unless it is a final payment voucher, or the final voucher for the fiscal year (ending December 31).

1.2.2 No more than six (6) vouchers may be submitted per contract per month, without prior approval from OED.

1.2.3 All vouchers for all Agreements must be correctly submitted within forty-five (45) days of the Agreement end date to allow for correct and prompt closeout.

1.2.4 City and County of Denver Forms shall be used in back-up documents whenever required in the Voucher Processing Policy.

1.2.5 Only allowable costs determined in accordance with 2 CFR Chapter I, Chapter II, Parts 200, 215, 220, 225 and 230, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (the "OMB Omni Circular") applicable to the organization incurring the cost will be reimbursed.

1.2.6 The reimbursement request, or draw request, for personnel and non-personnel expenses should be submitted to the City on a monthly basis, no later than the last day of the following month for expenses incurred in the prior month. The request for reimbursement should include:

a. Amount of the request in total and by line item;

b. Period of services for current reimbursement;

c. Budget balance in total and by line item;

d. Authorization for reimbursement by the contract signatory (i.e., executive director or assistant director).

1.2.7 If another person has been authorized by the Contractor to request reimbursement for services provided by this contract, then the authorization should be forwarded in writing to OED prior to the draw request.

1.2.8 The standardized OED "Expense Certification Form" should be included with each payment request to provide the summary and authorization required for reimbursement.

1.3 Payroll

1.3.1 A summary sheet should be included to detail the gross salary of the employee, amount of the salary to be reimbursed, the name of the employee, and the position of the employee. If the employee is reimbursed only partially by this contract, the amount of salary billed under other contracts with the City or other organizations should be shown on the timesheet as described below. Two items are needed for verification of payroll: (1) the amount of time worked by the employee for this pay period; and (2) the amount of salary paid to the employee, including information on payroll deductions.

1.3.2 The amount of time worked will be verified with timesheets. The timesheets must include the actual hours worked under the terms of this contract, and the actual amount of time worked under other programs. The total hours worked during the period must reflect all actual hours worked under all programs including leave time. The employee's name, position, and signature, as well as a signature by an appropriate supervisor, or executive director, must be included on the timesheets. If the timesheet submitted indicates that the employee provided services payable under this contract for a portion of the total time worked, then the amount of

reimbursement requested must be calculated and documented in the monthly reimbursement request.

1.3.3 A payroll register or payroll ledger from the accounting system will verify the amount of salary. Copies of paychecks are acceptable if they include the gross pay and deductions.

1.4 Fringe Benefits

1.4.1 Fringe benefits paid by the employer can be requested by applying the FICA match of 7.65 percent to the gross salary paid under this contract. Fringe benefits may also include medical plans, retirement plans, worker's compensation, and unemployment insurance. Fringe benefits that exceed the FICA match may be documented by 1) a breakdown of how the fringe benefit percentage was determined prior to first draw request; or, 2) by submitting actual invoices for the fringe benefits. If medical insurance premiums are part of the estimates in item #1, one-time documentation of these costs will be required with the breakdown. Payroll taxes may be questioned if they appear to be higher than usual.

1.5 General Reimbursement Requirements

1.5.1 Invoices: All non-personnel expenses need dated and readable invoices. The invoices must be from a vendor separate from the Contractor, and must state what goods or services were provided and the delivery address. Verification that the goods or services were received should also be submitted. This may take the form of a receiving document or packing slips, signed and dated by the individual receiving the good or service. Copies of checks written by the Contractor, or documentation of payment such as an accounts payable ledger which includes the check number shall be submitted to verify that the goods or services are on a reimbursement basis.

1.5.2 Mileage: A detailed mileage log with destinations and starting and ending mileage must accompany mileage reimbursement. The total miles reimbursed and per mile rate must be stated. Documentation of mileage reimbursement to the respective employee must be included with the voucher request.

1.5.3 Pager/Cell Phone: Written statement from executive director will be required certifying that cell phone is necessary and reasonable to run the program. And, if the monthly usage charge is exceeded in any month, a detailed phone log will be required for the amount of the overage.

1.5.4 Administration and Overhead Cost: Other non-personnel line items, such as administration, or overhead need invoices, and an allocation to this program documented in the draw request. An indirect cost rate can be applied if the Contractor has an approved indirect cost allocation plan. The approved indirect cost rate must be submitted to and approved by OED.

1.5.5 Service Period and Closeout: All reimbursed expenses must be incurred during the time period within the contract. The final payment request must be received by OED within forty-five (45) days after the end of the service period stated in the contract.

2.1 Intentionally Omitted

3.1 Financial Management Systems

The Contractor must maintain financial systems that meet the following standards:

3.1.1 Financial reporting must be accurate, current, and provide a complete disclosure of the financial results of financially assisted activities and be made in accordance with federal financial reporting requirements.

3.1.2 Accounting records must be maintained which adequately identify the source and application of the funds provided for financially assisted activities. The records must contain information pertaining to contracts and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. Accounting records shall provide accurate, separate, and complete disclosure of fund status.

3.1.3 Effective internal controls and accountability must be maintained for all contract cash, real and personal property, and other assets. Adequate safeguards must be provided on all property and it must be assured that it is used solely for authorized purposes.

3.1.4 Actual expenditures or outlays must be compared with budgeted amounts and financial information must be related to performance or productivity data, including the development of cost information whenever appropriate or specifically required.

3.1.5 Applicable OMB Omni Circular cost principles, agency program regulations, and the terms of the agreement will be followed in determining the reasonableness, allowability and allocability of costs.

3.1.6 Source documents such as cancelled checks, paid bills, payrolls, time and attendance records, contract documents, etc., shall be provided for all disbursements. The Contractor will maintain auditable records, i.e., records must be current and traceable to the source documentation of transactions.

3.1.7 The Contractor shall maintain separate accountability for OED funds as referenced in 24 C.F.R. 85.20 and the OMB Omni Circular.

3.1.8 The Contractor must properly report to Federal, State, and local taxing authorities for the collection, payment, and depositing of taxes withheld. At a minimum,

this includes Federal and State withholding, State Unemployment, Worker's Compensation (staff only), City Occupational Privilege Tax, and FICA.

3.1.9 A proper filing of unemployment and worker's compensation (for staff only) insurance shall be made to appropriate organizational units.

3.1.10 The Contractor shall participate, when applicable, in OED provided staff training sessions in the following financial areas including, but not limited to (1) Budgeting and Cost Allocation Plans; (2) Vouchering Process.

4.1 Audit Requirements

4.1.1 If the Contractor expends seven hundred and fifty thousand dollars ($750,000) or more of federal awards in the Contractor's fiscal year, the Contractor shall ensure that it, and its sub recipients(s), if any, comply with all provisions of the OMB Omni Circular.

4.1.2 A copy of the final audit report must be submitted to the OED Financial Manager within the earliest of thirty (30) calendar days after receipt of the auditor's report; or nine (9) months after the end of the period audited.

4.1.3 A management letter, if issued, shall be submitted to OED along with the reporting package prepared in accordance with the Single Audit Act Amendments and the OMB Omni Circular. If the management letter is not received by the Contractor at the same time as the Reporting Package, the Management Letter is also due to OED within thirty (30) days after receipt of the Management Letter, or nine (9) months after the end of the audit period, whichever is earlier. If the Management Letter has matters related to OED

funding, the Contactor shall prepare and submit a Corrective Action Plan to OED in accordance with the Single Audit Act Amendments and the OMB Omni Circular, as set forth in 24 C.F.R. Part 45 for each applicable management letter matter.

4.1.4 All audit related material and information, including reports, packages, management letters, correspondence, etc., shall be submitted to **OED Financial Management Unit**.

4.1.5 The Contractor will be responsible for all Questioned and Disallowed Costs.

4.1.6 The Contractor may be required to engage an audit committee to determine the services to be performed, review the progress of the audit and the final audit findings, and intervene in any disputes between management and the independent auditors. The Contractor shall also institute policy and procedures for its sub recipients that comply with these audit provisions, if applicable.

5.1 Budget Modification Requests

5.1.1 Minor modifications to the services provided by the Contractor or changes to each line item budget equal to or less than a ten percent (10%) threshold, which do not increase the total funding to the Contractor, will require only notification to OED with the next monthly draw. Minor modifications to the services provided by Contractor, or changes to each line item budget in excess of the ten percent (10%) threshold, which do not increase the total funding to Contractor, may be made only with prior written approval by OED. Such budget and service modifications will require submittal by Contractor of written justification and new budget documents. All other contract modifications will require an amendment to this Agreement executed in the same manner as the original Agreement.

5.1.2 The Contractor understands that any budget modification requests under this Agreement must be submitted to OED prior to the last Quarter of the Contract Period, unless waived in writing by the OED Director.

6.1 Procurement

6.1.1 The Contractor shall follow the City Procurement Policy to the extent that it requires that at least three (3) documented quotations be secured for all purchases or services (including insurance) supplies, or other property that costs more than five thousand dollars ($5,000) in the aggregate.

6.1.2 The Contractor will maintain records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

6.1.3 If there is a residual inventory of unused supplies exceeding five thousand dollars ($5,000) in total aggregate upon termination or completion of award, and if the supplies are not needed for any other federally sponsored programs or projects the Contractor will compensate the awarding agency for its share.

7.1 Bonding

7.1.1 OED may require adequate fidelity bond coverage, in accordance with 24 C.F.R. 84.21, where the Contractor lacks sufficient coverage to protect the City's interest.

8.1 Records Retention

8.1.1 The Contractor must retain for five (5) years financial records pertaining to the contract award. The retention period for the records of each fund will start on the day the single or last expenditure report for the period, except as otherwise noted, was submitted to the awarding agency.

8.1.2 The awarding agency shall have the right of access, upon reasonable notice, to any pertinent books, documents, papers, or other records which are pertinent to the contract, in order to make audits, examinations, excerpts, and transcripts.

9.1 Contract Close-Out

9.1.1 All Contractors are responsible for completing required OED contract close-out forms and submitting these forms to their appropriate OED Contract Specialist within sixty (60) days after the Agreement end date, or sooner if required by OED in writing.

9.1.2 Contract close out forms will be provided to the Contractor by OED within thirty (30) days prior to end of contract.

9.1.3 OED will close out the award when it determines that all applicable administrative actions and all required work of the contract have been completed, and that any repayment required according to the terms of this Agreement has been received or forgiven. If Contractor fails to perform in accordance with this Agreement, OED reserves the right to unilaterally close out a contract, "unilaterally close" means that no additional money may be expended against the contract.

10.1 Collection of amounts due

10.1.1 Any funds paid to a Contractor in excess of the amount to which the Contractor is finally determined to be entitled under the terms of the award constitute a debt to the City. If not paid within a reasonable period after demand, OED may 1) Make an administrative offset against other requests for reimbursements, 2) Withhold advance payments otherwise due to the Contractor, or 3) other action permitted by law.

EXHIBIT D
(Affirmative Marketing)

City and County of Denver
Affirmative Marketing Program

The City and County of Denver is committed to the goal of adequate housing for all its citizens and to affirmatively furthering fair housing opportunities. The City has developed written material explaining the City's Housing Programs for dissemination and will inform the public, owners, and potential tenants about Federal fair housing laws. These materials will display the "equal housing opportunity" slogan and logo. The City will also publicize its Housing programs through press releases, solicitations to property owners and written communications to fair housing groups and local lenders. The City will display the "equal housing opportunity" slogan on all such communications.

All contracts, grant agreements and/or loan agreements between the City or its agents and property owners executed in connection with the Housing Programs will:

(1) prohibit discrimination in the rental of housing rehabilitated through the City's Housing programs on the basis of race, color, religion, sex, national origin, age, handicap, or household composition;
(2) require compliance with all applicable fair housing and equal opportunity laws, and
(3) include a copy of our Affirmative Marketing Program and require compliance with all procedures contained herein for the period of affordability of the term of the loan, whichever is greater.

In the City's Housing Loan Program, the objective of the Affirmative Marketing Program and a project's Affirmative Marketing Plan will be to increase the racial/ethnic diversity of the project's tenant population so that the tenant population is not made up exclusively of persons of one race/ethnicity.
In order to accomplish this, owners will be required to adopt a plan that will inform and solicit applications from persons in the housing market who are least likely to apply for the housing without special outreach. In general, persons who are not of the race/ethnicity of the majority of the residents of the neighborhood in which the property is located will be considered as persons least likely to apply.

The City will work with the project owner to identify which racial/ethnic groups in the population are least likely to apply for housing in each project without special outreach. The City will assist the owner in developing a project specific Affirmative Marketing Plan which includes special outreach efforts and the City will approve the Plan. The property manager or rental agent will be required to maintain records enabling the City to assess the results of the owner's actions to affirmatively market units. These records will include rental applications, all vacancy notices, and rental receipts. The City or its agent will review the owner's records and these records must be made available to

the City. Additionally, the City will require the owner to submit annual tenant reports that will include tenant characteristics including race/ethnicity. The project's Plan will identify specific actions the owner must take when becoming aware of an impending vacancy. In some cases the owner will also be required to advertise the vacancy in a general circulation newspaper.

Owners who rent exclusively to one segment of the population to the exclusion of applicants from other segments will be notified of potential noncompliance. The City will provide technical assistance to the owners in expanding outreach efforts. If necessary, specific corrective actions will be required.

Owners who discriminate or who fail to comply with the requirements of this Affirmative Marketing Program may be found in breach of contract or in default on their grant or loan agreement, and the City may take action to recover all funds made available to the owner by the City plus applicable penalties.

The City has adopted a policy to aggressively encourage landlords to rehabilitate units that are accessible to persons with physical disabilities.