
LIMITED LIABILITY COMPANY AGREEMENT

OF

CIC MEZZANINE INVESTORS, ~~LLC~~L.L.C.

an Illinois limited liability company

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**LIMITED LIABILITY COMPANY AGREEMENT
OF
CIC MEZZANINE INVESTORS, L.L.C.**

THIS LIMITED LIABILITY COMPANY AGREEMENT OF CIC MEZZANINE INVESTORS, L.L.C. (the “Company”), dated as of the ~~Initial~~ Closing Date, is adopted, executed and agreed to, for good and valuable consideration, by COMMUNITY INVESTMENT CORPORATION, an Illinois not for profit corporation (“CIC”) and the Members (as defined below) who have executed this Agreement on the signature pages attached hereto.

ARTICLE 1

DEFINITIONS

1.01 **Definitions.** As used in this Agreement, the following terms have the respective meanings set forth below or set forth in the provisions following such terms:

Act – means the Illinois Limited Liability Company Act, 850 ILCS 180, and any successor statute, as amended from time to time.

~~**Additional Member**—has the meaning assigned to it in Section 3.04(b).~~

Adjusted Capital Account – means a capital account determined and maintained for each Member throughout the full term of the Company, the balance of which, as of the end of a Company Fiscal Year (or other period), shall be equal to such Member's Capital Account balance as of such year-end (or such other period), modified as follows:

(a) increased, by the amount, if any, of such Member's share of the Company Minimum Gain and Member Minimum Gain as of such year-end, pursuant to Treas. Reg. §§ 1.704-2(g) and (i)(5);

(b) decreased by the amount, if any, of distributions that, as of such year-end, are reasonably expected to be distributed to such Member, but only to the extent such amount exceeds any offsetting increases to such Member's Capital Account that are reasonably expected to occur during (or prior to) the Company Fiscal Years during which such distributions are reasonably expected to be made (other than increases pursuant to certain minimum gain chargebacks) as determined under Treas. Reg. § 1.704-1(b)(2)(ii)(d)(6); and

(c) decreased by the amount, if any, of losses and deductions that, as of the end of such year, are reasonably expected to be allocated to such Member pursuant to Code Sections 704(e)(2) and 706(d), and Treas. Reg. §§1.751-1(b)(2)(ii) and 1.704-1(b)(2)(iv)(k).

Affiliate – means, with respect to any Person, the following: (a) in the case of a corporation, ownership of 20% or more of the outstanding shares of any series or class of voting securities thereof; (b) in the case of a limited liability company, partnership, limited partnership or joint venture, the right to receive 20% or more of the distributions therefrom at any time during the duration of such Person (including liquidating distributions); (c) in the case of a trust or estate, ownership of 20% or more of the beneficial interest therein; (d) in the case of any other Person, ownership of 20% or more of the economic or beneficial interest therein; or (e) (i) each Person that such Person Controls, (ii) each Person that Controls such Person and (iii) each Person that is under common Control with such Person.

Affiliate Transactions Report – means a report prepared by the Manager setting forth in reasonable detail a list of (a) all agreements between the Company and the Manager or its Affiliates, and (b) fees, commissions and other compensation (including amounts paid as reimbursement for out of pocket expenses) paid by the Company to the Manager or its Affiliates during the period covered by such report.

Agreement – means this Limited Liability Company Agreement of CIC Mezzanine Investors, L.L.C., dated as of the date hereof, as amended from time to time.

Aggregate Invested Capital – means, as of any determination date, (i) the aggregate Capital Contributions made to the Company as of such date, minus (ii) the sum of the Invested Capital for each Investment sold or otherwise disposed of by the Company from time to time prior to such date. Any Capital Contributions which are used to pay Organizational Costs or Company Expenses, including but not limited to Management Fees, shall be equitably allocated among the Company's Investments, it being the intent of the Members that the Aggregate Invested Capital be increased by the amount of any such Capital Contributions and decreased by the allocable share of such Capital Contributions for Investments sold or otherwise disposed of by the Company.

Assignee – means any Person that acquires Units or any portion thereof through a Disposition consented to by the Manager or otherwise permitted under Section 3.03. The Assignee of a dissolved Member is the shareholder, partner, member or other equity owner or owners of the dissolved Member to whom such Member's Units are assigned by the Person conducting the liquidation or winding up of such Member. The Assignee of a Bankrupt Member is the Person (if any) to whom such Bankrupt Member's Units are assigned by order of the bankruptcy court or other governmental authority having jurisdiction over such Bankruptcy; or, in the event of a general assignment for the benefit of creditors, the creditor to which such Units are assigned.

Authorized Representative – has the meaning assigned to it in Section 3.07(a).

Bankruptcy or Bankrupt – means (a) that a Person (i) makes a general assignment for the benefit of creditors; (ii) files a voluntary bankruptcy petition; (iii) becomes the subject of an order for relief or is declared insolvent in any federal or state bankruptcy or insolvency proceedings; (iv) files a petition or answer seeking for such Person a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law;

(v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in a proceeding of the type described in sub-clauses (i) through (iv) of this clause (a); or (vi) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of such Person's or of all or any substantial part of such Person's properties; or (b) an involuntary petition is filed against such Person seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any Law and sixty (60) days have expired without dismissal thereof; or (c) without the Person's consent or acquiescence, a trustee, receiver, or liquidator of such Person or of all or any substantial part of such Person's properties is appointed and forty-five (45) days have expired without the appointment's having been vacated or stayed, or forty-five (45) days have expired after the date of expiration of a stay, if the appointment has not previously been vacated.

Business Day – means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of Illinois are closed.

Capital Account – has the meaning assigned to it in Section 4.04.

Capital Contribution(s) – means money paid to the Company by a Member as a contribution to the capital of the Company pursuant to such Member's Commitment. The Capital Contribution of a Member shall include each Capital Contribution of such Member's predecessor in interest made with respect to such interest.

Cause – means (i) fraud, willful misconduct or bad faith by the Manager or its employees with respect to the Company; or (ii) gross negligence, performance of illegal acts, material breach of this Agreement by the Manager or a breach of fiduciary duty to the Company by the Manager, which in either case results in a material adverse effect on the Company.

Certificate – has the meaning assigned to it in Section 2.01.

CIC – has the meaning assigned to it in the preamble of this Agreement.

Class A Unit – means a membership interest in the Company entitling the holder thereof to the rights, privileges and preferences set forth in this Agreement as a Private Investor, and imposing on the holder thereof the obligations set forth in this Agreement as a Private Investor. A list of the Private Investors, as of the date hereof is set forth on **Exhibit A**. The Company shall issue Class A Units to its “Private Investors.”

Class B Unit – means a membership interest in the Company entitling the holder thereof to the rights, privileges and preferences set forth in this Agreement as a Social Impact Investor-**Member**, and imposing on the holder thereof the obligations set forth in this Agreement as a Social Impact Investor.

Class C Unit – means a membership interest in the Company entitling the holder thereof to the rights, privileges and preferences set forth in this Agreement as a Government Investor, and imposing on the holder thereof the obligations set forth in this Agreement as a Government Investor.

Class D Member – means a Member that holds any Class D Units, including any fractional Class D Units. The initial Class D Member will be CIC. CIC has obtained a grant from the Capital Magnet Fund in the amount of \$3.1 million, of which CIC will make a Commitment of at least \$3 million to the Company.

Class D Unit – means a membership interest in the Company entitling the holder thereof to the rights, privileges and preferences set forth in this Agreement as a Class D Member, and imposing on the holder thereof the obligations set forth in this Agreement as a Class D Member.

Closing Date – ~~has the meaning assigned to it in Section 3.04(e).~~ means November 16, 2018.

Code – means the United States Internal Revenue Code of 1986, as amended from time to time. All references herein to sections of the Code shall include any corresponding provision or provisions of succeeding Law.

Commitment – means a written, binding obligation of a Member to make Capital Contributions to the Company, as evidenced for each Member by a Subscription Agreement executed by such Member or such Member's predecessor in interest and, as evidenced for the Company, by the Manager's execution of such Subscription Agreement. The Manager will require a minimum Commitment from each Private Investor of \$2,000,000 or such lesser amount as the Manager may elect to accept. If (i) IHDA does not execute a grant agreement within six (6) months of the date here or (ii) any grant money is not contributed by the City of Chicago or IHDA when needed in order for the Government Investor to fund its capital calls to the Company, the Manager may cause the Government Investor to reduce its Commitment to the Company accordingly. In such event, the Commitments of the Private Investors will be automatically reduced to the extent necessary so that the aggregate Private Investor Commitments are not more than 2.5 times the sum of the Commitments of the Government Investor and the Class D Member, unless the Private Investors unanimously agree to waive this condition.

Commitment Period – means the period beginning with the ~~Initial~~ Closing Date and ending on the Commitment Termination Date.

Commitment Percentage – means, with respect to any Member, the percentage equivalent to said Member's unfunded Commitment, divided by the aggregate unfunded Commitments of all of the Members (including said Member).

Commitment Termination Date – means the first to occur of (a) the day on which the Members have funded one hundred percent (100%) of their respective Commitments, or (b) the six (6) months after the Investment Period Termination Date (unless the Commitment Period Termination Date is extended by the Manager with the consent of Majority in Interest of the Members).

Company – means CIC Mezzanine Investors, L.L.C., an Illinois limited liability company.

Company Expenses – means costs and expenses (other than Organizational Costs) incurred by the Company or the Manager on behalf of the Company in connection with any of the following activities: (a) all accounting matters, including but not limited to the audit of the Company's financial statements and the preparation and filing of its tax returns; (b) fees and expenses of Persons engaged by Manager to assist the Manager in keeping the Company's books and records and in preparing the Company's financial statements and reports (including, without limitation, salary for any individual or cost imposed by a third party with respect thereto); (c) fees and expenses of the Company's legal counsel for advice directly relating to the Company's legal affairs, including, without limitation, the fees and expenses of the Company to enforce a Member's obligation to fund its Commitment (excluding, however, fees incurred in connection with any disputes between the Company or the Manager and any of the Members for which the Manager or its Affiliates are not entitled to indemnification under Section 6.08); (d) fees and expenses of appraisers, structural or environmental engineers, property managers, leasing agents, investment bankers, mortgage bankers, brokers or other consultants retained by the Company; (e) fees and expenses of any Persons engaged by the Manager to assist the Manager in performing due diligence reviews of prospective investments; (f) reasonable expenses of the Investment Committee; (g) licensing, registration, filing, qualification or exemption fees and costs incurred by the Company or the Manager in the course of the Company's activities, as well as fees and costs associated with the filing of annual reports and other information required under applicable Law on an ongoing basis; (h) fees incurred in connection with litigation or regulatory investigations instituted or threatened against the Company (including fees and expenses incurred on behalf of the Company to enforce a Member's obligation to fund its Commitment, but excluding all other fees incurred by the Manager in connection with litigation between the Manager or its Affiliates and any of the Members or the Company or any other Person for which the Manager or its Affiliates are not entitled to indemnification under Section 6.08); (i) reasonable travel and related expenses of the partners, members, officers, managers and employees of the Manager incurred in connection with the Company's business; and (j) any other reasonable and customary expenses incurred in carrying on the business of the Company.

Company Minimum Gain – has the meaning assigned to the term “partnership minimum gain” in Treas. Reg. §§ 1.704-2(b) and (d), and shall be increased or decreased as provided in Treas. Reg. § 1.704-2(k) to reflect the Company's shares of minimum gain in lower-tier entities treated for federal income tax purposes as partnerships.

Consent Request – has the meaning assigned to it in Section 6.05(c).

Continuation Election – has the meaning assigned to it in Section 9.01(b).

Control or Controlled – means, with respect to any Person, the possession, directly or indirectly, through one or more intermediaries, of the power or authority, through ownership of voting securities, by contract or otherwise, to direct the management, activities or policies of such Person.

Debt – means indebtedness of the Company and any Subsidiaries for borrowed money as evidenced by notes, bonds, debentures or similar evidence of any such debt and the deferred or unpaid purchase price of any Investment.

Default Date – has the meaning set forth in Section 4.05(b).

Defaulted Interest – has the meaning set forth in Section 4.05(c)(i).

Default Loan – has the meaning assigned to it in Section 4.05(b).

Default Portion – has the meaning assigned to it in Section 4.05(j).

Default Rate – means a rate per annum equal to the lesser of (a) eighteen percent (18%), and (b) the maximum rate permitted by Law.

~~**Defaulting Investor** – has the meaning assigned to it in Section 4.05(j).~~

Defaulting Member – means a Member which, as of any determination date, is not a Non-Defaulting Member.

Dispose, Disposing or Disposition – means, with respect to any asset (including, specifically, but without limitation, any Units or any portion thereof), a sale, assignment, transfer, pledge, hypothecation, conveyance, gift, exchange or other disposition of such asset, whether such disposition be voluntary, involuntary or by operation of Law. A Disposition shall not include a merger or consolidation of a Person or a conversion of a Person into another type of Person, so long as the Persons holding a majority of the voting power of such Person immediately prior to such merger, consolidation or conversion continues to hold a majority of the voting power of such Person thereafter. A Disposition shall include the following: (a) in the case of an asset owned by a Person, a distribution of such asset in connection with the dissolution, liquidation, winding up or termination of such Person (unless, in the case of dissolution, such Person's business is continued without the commencement of liquidation or winding up); and (b) a disposition in connection with, or in lieu of, a foreclosure of an Encumbrance.

Dissolution Event – has the meaning assigned to it in Section 9.01(a).

Distributable Cash – means, as of any determination date, the amount of cash which the Company has on hand in excess of its current and anticipated needs, including, without limitation, for operating expenses, capital expenditures, debt payments, acquisitions and reasonable reserves for future costs and expenses.

Encumber, Encumbering, or Encumbrance – means the creation of a security interest, lien, pledge, mortgage or other encumbrance, whether such encumbrance be voluntary, involuntary or by operation of Law.

ERISA – means the Employee Retirement Income Security Act of 1974, as amended from time to time, and all regulations prescribed thereunder.

~~**Final Closing Date** – means the date selected by the Manager which shall be the final closing of the issuance of Units and shall not be later than twelve (12) months after the Initial Closing Date (unless extended by the Manager with the consent of Majority in Interest of the Members).~~

Financings – has the meaning assigned to it in Section 3.03(d).

Fiscal Year – has the meaning assigned to it in Section 7.02(a).

Government Investor – means a Member that holds any Class C Units, including any fractional Class C Units. The ~~initial~~ Government Investor will be CIC Government Investor, L.L.C., an Illinois limited liability company, the sole member of which is CIC. Government Investor has obtained ~~a refundable grants grant~~ from ~~IHDA and the City in the amounts of \$2.5 million and \$5 million, respectively~~ the City of Chicago in the amount of \$5 million. Government Investor expects to enter into a grant agreement with Illinois Housing Development Authority (“IHDA”) for the amount of \$2.5 million within six (6) months after the Closing Date. The Government Investor will make a Commitment at the Closing Date to the Company equal to ~~the aggregate refundable grants from IHDA and the City~~ \$7.5 million, with the right to reduce its Commitment to \$5 million if Government Investor has not entered into a refundable grant agreement with IHDA on terms and conditions reasonably acceptable to CIC within six (6) months after the Closing Date.

Gross Income Allocation – means the special allocation provided for in Section 5.05.

Hypothetical Liquidation Amount – shall mean, with respect to any Member, the amount such Member would receive in a hypothetical liquidation of the Company following a hypothetical sale of all of the assets of the Company at prices equal to their most recent valuations as determined in good faith by the Manager, and the distribution of the proceeds thereof to the Members pursuant to this Agreement (after the hypothetical payment of all actual Company indebtedness, and any other liabilities related to the Company’s assets, limited, in the case of nonrecourse liabilities, to the collateral securing or otherwise available to satisfy such liabilities). The calculation of any Hypothetical Liquidation Amount (including, without limitation, any valuation of the assets of the Company) shall be determined in good faith by the Manager, subject to the provisions of Section 10.07.

Indemnification Period – has the meaning assigned to it in Section 4.01(b).

Indemnitee – has the meaning assigned to it in Section 6.08(e).

~~**Initial Closing Date** – means [September], 2018, or such earlier date as the Manager may elect, in its discretion, at any time after the Company has received Commitments exceeding \$20 million in the aggregate.~~

Invested Capital – means, with respect to any Investment as of any determination date, the aggregate Capital Contributions made to the Company in connection with the acquisition, leasing, ownership and operation of such Investment, ~~determined after deducting amounts distributed to the Members pursuant to Section 3.04 and added back to the Members' unfunded Commitments (which payments constitute returned contributions which are treated for all purposes of this Agreement as having never been contributed) as reflected in the Invested Capital Account as of such date.~~

Invested Capital Account – has the meaning assigned to it in Section 8.01.

Investment – means any mezzanine or junior mortgage debt investment by the Company, directly or indirectly, in existing or new multifamily real estate assets located in the metropolitan Chicago, Illinois area, that is subordinate to a senior secured loan and that, in the sole judgment of the Investment Committee, but subject to the restrictions set forth in this Agreement, is an appropriate investment for the Company. The Investments will include the ~~specified investments~~ “Specified Investments” listed and described in the ~~attached Exhibit B~~ Private Placement Memorandum.

Investment Advisers Act – means the Investment Advisers Act of 1940, as amended from time to time, and all rules, rulings and regulations thereunder.

Investment Committee – means the committee described and having the purposes set forth in Article 10.

Investment Company Act – means the Investment Company Act of 1940, as amended from time to time, and all rules, rulings and regulations thereunder.

Investment Period Termination Date – means the date which is the first to occur of (a) thirty-six (36) months after the ~~Final~~ Closing Date; and (b) the date, if any, on which the Manager's right to make new Investments is restricted pursuant to Section 6.04(b), unless such right is reinstated in accordance with the provisions of said section.

Investor Letter – has the meaning assigned to it in Section 3.03(d).

Law – means any applicable constitutional provision, statute, act, code (including the Code), law, regulation, rule, ordinance, order, decree, ruling, proclamation, resolution, judgment, decision, declaration, or interpretative or advisory opinion or letter of a governmental authority.

Loan Policy Manual – means a loan policy manual governing the underwriting any approval of Investments, as amended from time to time. The initial Loan Policy Manual, as reviewed and approved by the Manager and the Members, is attached hereto as Exhibit B. The Loan Policy Manual may not be amended without the approval of the Manager and a Majority in Interest of the Members.

Majority in Interest of the Members – means, at any determination date, Non-Defaulting Members who collectively hold greater than fifty percent (50%) of the Units held by all Non-Defaulting Members.

Management Fee – has the meaning assigned to it in Section 6.06.

Manager – means Community Investment Corporation, an Illinois not for profit corporation, and any successor manager which is appointed in accordance with the provisions of this Agreement, in its capacity as the manager of the Company.

Manager Dissolution Event – has the meaning assigned to it in Section 9.01(a).

Member – means any Person who is admitted to the Company as a member from time to time as provided in and subject to the requirements of this Agreement, but such term does not include any Person who has ceased to be a member in the Company.

Member Nonrecourse Debt – has the meaning assigned to the term “partner nonrecourse debt” in Treas. Reg. § 1.704-2(b)(4), and may include the Company's share of lower-tier liabilities as provided in Treas. Reg. §§ 1.704-2(k) and 1.752-4(a) (in which case rules consistent with Treas. Reg. § 1.704-2(k) shall apply in determining allocations with respect thereto).

Member Nonrecourse Deductions – has the meaning assigned to the term “partner nonrecourse deductions” in Treas. Reg. § 1.704-2(i).

Member's Rights – means, with respect to any Member, (a) that Member's status as a Member; (b) that Member's Units; (c) all other rights, benefits and privileges enjoyed by that Member under the Act, the Certificate, this Agreement or otherwise in its capacity as a Member, including that Member's rights to vote, consent and approve Company transactions, to the extent provided in this Agreement; and (d) all obligations, duties and liabilities imposed on that Member under the Act, the Certificate, this Agreement or otherwise in its capacity as a Member, including, without limitation, any obligations to make Capital Contributions.

Minimum Gain Chargeback – means the allocations of income and gain provided for in Sections 5.07 and 5.09.

Net Income or Net Loss – means, for each Fiscal Year or other period, an amount equal to the Company's taxable income or loss for such year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(a) any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Loss pursuant to this provision shall be added to such taxable income or loss;

(b) any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Treas. Reg. § 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Loss pursuant to this provision, shall be subtracted from such taxable income or loss;

(c) if the Tax Book Value of the Company property differs from its adjusted tax basis, then there shall be taken into account the depreciation, depletion, amortization, other cost recovery deductions, and gain or loss (on sale or other disposition) with respect to such property, as computed for book purposes under Sections 4.04 and 5.10, rather than the corresponding tax items;

(d) no portion of any Qualified Income Offset, Gross Income Allocation, Nonrecourse Deduction, Member Nonrecourse Deduction, Minimum Gain, Member

Minimum Gain Chargeback, Code Section 704(c) allocation or other amount which is specially allocated under Sections 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11, or 5.12 shall be taken into account in computing Net Income or Net Loss.

If the Company's taxable income or loss for such Fiscal Year or other period, as adjusted in the manner provided above, is a positive amount, such amount shall be the Company's Net Income for such year or other period; and if negative, such amount shall be the Company's Net Loss for such Fiscal Year or other period.

If the Tax Book Value of the Company property is adjusted pursuant to the revaluation described in the third sentence of Section 4.04, the amount of such adjustment shall (without duplication) be included in computing Net Income or Net Loss. If any Company asset is distributed in kind (whether in connection with the liquidation of the Company or otherwise), the Company shall be deemed to have realized gain or loss thereon in the same manner as if the Company had sold such asset for an amount equal to its fair market value on the date of distribution, as determined by the Manager (taking into account Code Section 7701(g)), which amount shall, except as provided in the preceding clauses (a) – (d), be included in Net Income or Net Loss for the Fiscal Year or period in which the distribution is made.

Non-Defaulting Member – means a Member which, as of any determination date, is not in default of its obligations under this Agreement, including, without limitation, its obligation to make required Capital Contributions pursuant to its Commitment.

Nonrecourse Debt or **Nonrecourse Liability** – has the meaning assigned to the term “nonrecourse liability” in Treas. Reg. §1.752-1(a)(2).

Nonrecourse Deduction – has the meaning assigned to the term “nonrecourse deduction” in Treas. Reg. §§1.704-2(b)(1) and (c), and includes all nonrecourse deductions allocated to the Company from lower-tier partnerships as provided in Treas. Reg. §1.704-2(k).

Organizational Costs – means third party costs, fees and expenses relating to the organization and formation of the Company, including, without limitation, legal and accounting fees, costs and expenses.

~~**Original Member** – means a Member admitted to the Company on the Initial Closing Date.~~

Person – means a corporation, limited liability company, partnership, limited partnership, public or private pension fund, insurance company, foundation, endowment, investment company, trust, estate, governmental entity or other entity or natural person.

~~**Previously Admitted Members** – has the meaning assigned to it in Section 3.04(e).~~ **Preferred Return** – means the 3% Preferred Return with respect to the Social Impact Investor or the 6% Preferred Return with respect to the Private Investor.

Prime Rate – means a rate per annum equal to the lesser of (a) a varying rate per annum that is equal to the interest rate publicly quoted by JP Morgan Chase Bank, or any successor money center bank, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by Law.

Private Investor – means a Member that holds any Class A Units, including any fractional Class A Units, or, if said Member has not yet been required to make Capital Contributions, a Member that will acquire Class A Units upon making its initial Capital Contribution.

Private Placement Memorandum – means that certain Private Placement Memorandum of CIC Mezzanine Investors, L.L.C. provided by the Company to a Member, as supplemented ~~from time to time~~ in writing delivered to each Member prior to the Closing Date.

Qualified Income Offset – means the special allocation provided for in Section 5.04.

Recapture Gain – has the meaning assigned to it in Section 5.11.

Regulatory Allocation – has the meaning assigned to it in Section 5.12.

Securities Act – means the United States Securities Act of 1933, as amended, and all rules and regulations promulgated thereunder.

Social Impact Investor – means a Member that holds any Class B Units, including any fractional Class B Units. The initial Social Impact Investor will be ~~BenefitArc Chicago~~, LLC, a Delaware limited liability company.

Subscription Agreement – has the meaning assigned to it in Section 4.01.

Subsidiary – means, with respect to any Person, any corporation, limited liability company, trust, partnership or joint venture, or other entity of which a majority of (i) the voting power of the voting equity securities or (ii) the outstanding equity interests is owned, directly or indirectly, by such Person.

Supermajority in Interest of the Members – means, at any determination date, Non-Defaulting Members who collectively hold at least sixty-six and two-thirds percent (66 2/3%) of the Units held by all Non-Defaulting Members.

Tax Book Value – means the adjusted basis for federal income tax purposes of any Company property, except as follows: (i) the Tax Book Value of any property contributed by a Member to the Company shall initially be its gross fair market value, as set forth herein or as otherwise jointly determined by the contributing Member and the Company; (ii) the Tax Book Value of all Company property shall be adjusted based on their respective fair market values, as agreed by the Members, as of each of the following times: (A) the acquisition of an additional Interest in the Company by any new or existing Member in exchange for more than a *de minimis* Capital Contribution to the Company; (B) the Distribution by the Company to a retiring or

continuing Member of more than a *de minimis* amount of property or cash, as consideration for an Interest in the Company (within the meaning of Treasury Regulations Section 1.704-1(b)(2)(iv)(f)(5)); and (C) the liquidation of the Company within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g); and (iii) if the Tax Book Value of any Company property has been determined or adjusted pursuant to clause (i) or (ii) above, it shall thereafter be adjusted by the depreciation, amortization and any other cost recovery deductions taken into account with respect to such property for purposes of computing Net Income and Net Loss.

Tax Matters Representative means the “partnership representative” of the Company within the meaning of Section 6223(a) of the Code.

Termination Date – means the date that is ten (10) years after the Investment Period Termination Date, subject to extension pursuant to Section 2.06.

Treasury Regulations or Treas. Reg. – means the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Treasury Regulations shall include any corresponding provision or provisions of succeeding, similar, substitute proposed or final Treasury Regulations.

Unit – means a Class A Unit, Class B Unit, Class C Unit, Class D Unit or any other unit representing an ownership interest in the Company issued in accordance with the terms hereof.

Withdraw, Withdrawing or Withdrawal – means the withdrawal, resignation or retirement of a Member from the Company. Such terms shall not include any Dispositions of Units, which are governed by Section 3.03, even though the Member making a Disposition may cease to be a Member as a result of such Disposition.

3% Preferred Return – means, with respect to any Member, an amount sufficient to provide a compounded, annual return on the Capital Contributions ~~of~~[made by](#) a Member of three percent (3%) per annum.

6% Preferred Return – means, with respect to any Member, an amount sufficient to provide a compounded, annual return on the Capital Contributions ~~of~~[made by](#) a Member of six percent (6%) per annum.

Other terms defined herein have the meanings so given.

1.02 **Construction.** Unless the context requires otherwise: (a) the gender (or lack of gender) of all words used in this Agreement includes the masculine, feminine and neuter; (b) references to Articles and Sections refer to Articles and Sections of this Agreement; (c) “including” means “including, without limitation”; and (d) references to Exhibits are to the Exhibits attached to this Agreement, each of which is made a part hereof for all purposes.

ARTICLE 2

ORGANIZATION

2.01 **Formation.** The Company was formed as an Illinois limited liability company by the filing of a Certificate of Formation (the “**Certificate**”) on May 31, 2018 under and pursuant to the Act with the Secretary of State of Illinois; and the rights and obligations of the Members shall be as provided therein except as otherwise expressly provided in this Agreement. Without waiving any of their other rights pursuant to the Agreement, the Members agree to execute such certificates or documents of a clerical or administrative nature, and to do such filings and recordings and all other acts of a clerical or administrative nature, including the filing or recording of the Certificate, any amendments thereto, and any assumed name certificates in the appropriate offices in the State of Illinois and any other applicable jurisdictions as may be deemed necessary or appropriate by the Manager for the conduct of the Company's business in accordance with this Agreement.

2.02 **Name.** The name of the Company is “CIC Mezzanine Investors, L.L.C.” and all Company business shall be conducted in that name; provided that the Manager may change the name of the Company from time to time. In the event of a name change, the Manager shall: (i) give prompt written notice thereof to the Members; and (ii) promptly file an appropriate amendment to the Certificate.

2.03 **Registered Office; Registered Agent; Offices.** The principal place of business of this Company shall be at c/o CIC, 222 South Riverside Plaza, Suite 380, Chicago, Illinois 60606, Attn: John Markowski, or at such other place or places as the Manager may determine from time to time. The initial registered agent and registered office of the Company for service of process shall be CT Corporation 208 South LaSalle Street, Suite 814, Chicago, Illinois 60604.

2.04 **Purposes.** The purpose of the Company is to invest for community development purposes, directly or indirectly, in the Investments and to engage in any other lawful purposes permitted under the Act with respect to the ownership, operation, management and disposition of Investments, including without limitation to:

- (a) acquire, hold, maintain, monitor, dispose of and otherwise realize the economic benefits from the Investments;
- (b) manage the Company's cash by entering into short-term investments;
- (c) enter into one or more credit facilities to leverage the capital provided by the Commitments, provided that the Company shall not obtain debt (non-recourse or otherwise) secured by a pledge of any of the Investments; and
- (d) conduct such other activities with respect to the Company's Investments as are appropriate, necessary or desirable to carry out and accomplish the foregoing purposes and to do every other act and thing incident thereto or connected therewith.

2.05 **Foreign Qualification.** Prior to the Company's conducting business in any jurisdiction other than Illinois, the Manager shall cause the Company to comply with any and all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Manager, each Member shall execute, acknowledge, swear to and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.06 **Term.** The Company commenced operations on the date it filed the Certificate with the Secretary of State of Illinois and shall continue in existence until the Termination Date or until the Company is otherwise dissolved, wound-up or liquidated in accordance with this Agreement. The Manager shall have the right, ~~in its sole and absolute discretion, to extend the original Termination Date for up to two, consecutive one (1) year periods. In addition, the Manager may,~~ with the approval of a ~~Majority~~Supermajority in Interest of the Members, to extend the then applicable Termination Date for such ~~additional~~ period of time as they shall approve. In each case, the Manager shall give prompt written notice thereof to the Members of any extension of the Termination Date.

2.07 **Members, Generally.** On the ~~Initial~~ Closing Date, the Members will hold (or will have entered into Subscription Agreements providing for their acquisition of) Units. ~~The Company is also authorized to issue Units to additional Members in any class, series or sub-class pursuant to Section 3.04 hereof.~~ Units issued pursuant to this Agreement are not required to be certificated. Notwithstanding that Units are not certificated, upon the written request by any Member, the Company shall send to any requesting Member a written statement setting forth the number of Units of the applicable class of Units owned by such Member.

2.08 **Investments.** The Company generally shall make Investments, ~~in one or more ways, including without limitation the following~~ only as follows or as otherwise approved by the Investment Committee:

(a) a subordinate interest secured by a second mortgage lien, subject to a senior note and first mortgage (expected structure for Investments up to \$1,000,000);

(b) a loan secured by a pledge of equity interests in a borrower, which is subordinate to a mortgage loan made to such borrower (expected structure for Investments over \$1,000,000 unless the Investment Committee approves the structure in clause (a) above); or

(c) a subordinate interest in a loan evidenced by a senior interest and a subordinate interest, both secured by a single mortgage lien encumbering a borrower's real property.

The Investments which the Company will enter into generally will be subject to inter-creditor agreements that will be between the Company and the senior lender, which may on terms approved by the Investment Committee. At a minimum, such intercreditor agreement will provide the Company with ~~cure rights and other customary subordinate lender protections.~~(i)

written notice and an opportunity to cure senior loan defaults, (ii) the ability of the Company to purchase the senior loan at par following a senior loan default, (iii) the ability of the Company to pursue remedies against its collateral without the consent of the senior lender (but with notice to Senior Lender if requested by Senior Lender), (iv) the ability of the Company to make non-material amendments to its loan documents without requiring the senior lender consent (but with notice to Senior Lender if requested by Senior Lender); and (v) an agreement from senior lender to not materially modify its senior loan documents without the Company's consent.

CIC, Private Investors or senior lender programs sponsored by CIC or Private Investor may be the senior lender for certain Investments which could give rise to conflicts of interest in the intercreditor agreement and otherwise and the Investment Committee will consider any such risks when evaluating each potential Investment. Manager shall be obligated to disclose to the Investment Committee any such conflicts of interest as they arise along with an explanation of any related risks or mitigating circumstances. Each Member hereby acknowledges and agrees that in the event that the Investment Committee determines to proceed with an Investment notwithstanding the existence of any such actual or potential conflict of interest, such approval shall constitute the waiver by the Company, Manager and each Member hereunder against any claim of conflict of interest or any other claim against the Private Investor and its Affiliates arising out of the relationship between the Private Investor in its capacity as a Member and the Private Investor or its Affiliate in its capacity as the senior lender, including without limitation a claim that the senior lender shall be limited in its ability to pursue its remedies as senior lender notwithstanding that such pursuit may adversely impact the Company and its Members.

2.09 **Powers.** Subject to all of the provisions of this Agreement, the Company shall have the power to do any and all acts necessary, appropriate, advisable, incidental or convenient to or in furtherance of the purposes and business described herein, and shall have and may exercise all of the powers and rights that can be conferred upon limited liability companies formed pursuant to the Act.

2.10 **Application of the Act.** Except as expressly provided in this Agreement, the rights and liabilities of the Members shall be as provided in the Act. In the event of any inconsistency between any terms and conditions contained in this Agreement and any provisions of the Act, the terms of this Agreement shall govern and control except to the extent the applicable provision of the Act cannot be waived.

ARTICLE 3

~~ORIGINAL MEMBERS; DISPOSITION OF UNITS~~

3.01 **Manager; ~~Original~~ Members.** The ~~Original~~ Members are the Persons identified in Exhibit A, who executed this Agreement effective as of the ~~Initial~~ Closing Date, each of which was admitted to the Company as a Member effective contemporaneously with the execution by such Person of this Agreement.

3.02 **Representations and Warranties.** Each Member, by executing this Agreement, hereby represents and warrants to the Company and each other Member as follows:

(a) that such Member (i) is duly incorporated, organized or formed (as applicable), validly existing, and (if applicable) in good standing under the Law of the jurisdiction of its incorporation, organization or formation; (ii) if required by applicable Law, is duly qualified and in good standing in the jurisdiction of its principal place of business, if different from its jurisdiction of incorporation, organization or formation; and (iii) has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and all necessary actions by the board of directors, shareholders, managers, members, partners, trustees, beneficiaries, or other applicable persons necessary for the due authorization, execution, delivery, and performance of this Agreement by that Member have been duly taken;

(b) that such Member has duly executed and delivered this Agreement, and it constitutes the legal, valid and binding obligation of that Member enforceable against it in accordance with its terms (except as may be limited by Bankruptcy, ERISA requirements and by the effect of general principles of equity, regardless of whether considered at law or in equity);

(c) that such Member's authorization, execution, delivery, and performance of this Agreement does not and will not (i) conflict with, or result in a breach, default or violation of, (A) the organizational documents of such Member, (B) any material contract or agreement to which that Member is a party or is otherwise subject, or (C) to the best of such Member's knowledge, without investigation, any Law, order, judgment, decree, writ, injunction or arbitral award to which that Member is subject; or (ii) require any consent, approval or authorization from, filing or registration with, or notice to, any governmental authority or Person, unless such requirement has already been satisfied;

(d) that such Member is familiar with the purposes of the Company, the types of proposed investments, the absence of operating history for the Company, and the prospects of the Company; that it recognizes that the Company's specific investments have not yet been identified, except as otherwise previously disclosed in writing by the Manager; that it has agreed to make the contributions of capital required under this Agreement notwithstanding the fact that specific investments have not yet been identified; that it realizes that it is committing to make contributions of capital to the Company over an extended time period; that it is an "accredited investor" as such term is used in Rule 501(a) of Regulation D promulgated under the Securities Act; that it has asked such questions, and conducted such due diligence, concerning such matters and concerning its acquisition of Units as it has desired to ask and conduct, and all such questions have been answered to its full satisfaction; that it has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of an investment in the Company; that it understands that owning Units involves various risks, including the restrictions on Dispositions and Encumbrances set forth in Section 3.03, the lack of any public market for Units, the risk of owning its Units for an indefinite period of time and the risk of losing its entire investment in the Company; that it is able to bear the economic risk of such investment; it is acquiring its Units for investment, solely for its own beneficial account and not with a view to or any present intention of directly or indirectly selling, transferring, offering to sell or transfer,

participating in any distribution or otherwise Disposing of all or a portion of its Units; and that it acknowledges that the Units have not been registered under the Securities Act or any other applicable federal or state securities laws, and that the Company has no intention, and shall not have any obligation, to register or to obtain an exemption from registration for the Units or to take action so as to permit sales pursuant to the Securities Act (including Rules 144 and 144A thereunder);

(e) unless such Member has notified the Manager to the contrary, that such Member is a United States person within the meaning of Section 7701 of the Code (i.e., is not any of the following (as defined in the Code): a nonresident alien individual, foreign partnership, foreign corporation, foreign estate, foreign trust, other foreign entity or organization, or grantor trust having a foreign person as an owner). Each Member hereby agrees to notify the Company within sixty (60) days of the date such Member ceases to be a United States person; that it may be asked to recertify its non-foreign status at periodic intervals; and that this information may be disclosed to the Internal Revenue Service; and

(f) if a Member will beneficially own ten percent (10%) or more of the outstanding membership interests in the Company, such Member is not an “investment company” as defined in the Investment Company Act ~~of 1940, as amended (the “Investment Company Act”)~~, nor is such Member itself relying on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act as an exemption from classification as an investment company.

3.03 ~~Dispositions; Admission of New Members.~~

(a) Disposition by Manager. The Manager shall not Dispose of any Units without the prior written consent of a Majority in Interest of the Members. Any attempted Disposition by Manager of all or any of its Units, other than in strict accordance with this Section 3.03, shall be, and is hereby declared, null and void *ab initio*. If the Manager Disposes of all or a portion of its Units without complying with this Section 3.03(a) and Section 3.03(c), then in addition to the remedies allowable elsewhere under this Agreement, the Company may refuse to give effect to such Disposition on the books of the Company and may also institute proceedings to enjoin such Disposition.

(b) Disposition of Units Generally. A Member shall not Dispose of any Units without the prior written consent of the Manager, which consent the Manager shall give or withhold in its sole and absolute discretion, subject further to the satisfaction by such Member of the terms and conditions governing transfers of Units set forth in this Section 3.03. Notwithstanding the immediately preceding sentence, the following Dispositions shall be permitted without Manager’s consent (i) the Disposition by a Private Investor to another Private Investor or to the Social Impact Investor (provided such Disposition to the Social Impact Investor does not result in the Social Impact Investor holding more than 20% of the Member’s Units, including Commitments), (ii) the Disposition by the Social Impact Investor to a Private Investor, and (iii) the Disposition by a Private Investor to a Person Controlling, Controlled by or under common Control with such Private Investor, subject further to the satisfaction by such Member of the terms and conditions governing

transfers of Units set forth in this Section 3.03. Any attempted Disposition of all or any of its Units, other than in strict accordance with this Section 3.03, shall be, and is hereby declared, null and void *ab initio*. A Member shall give prompt written notice to the Manager if it intends to Dispose of all or a portion of its Units, and a notice upon consummation of such Disposition. The notice will include the identity of the Assignee, information substantiating the Assignee's ability to satisfy the portion of the Commitment being transferred to it and the number of Units and the portion of the Member's Commitment to be Disposed of. In the event that a Member Disposes of all or a portion of its Units or its Commitment to an Assignee, such Assignee shall be entitled to be admitted as a Member, subject to Section 3.09 and provided that the conditions set forth in this Section 3.03(b), and in Sections 3.03(c) and 3.03(d) are complied with. Except as otherwise provided herein, the Disposition of Units and the admission of an Assignee as a Member shall not release the assignor from its unfunded Commitment and any of such assignor's other obligations under this Agreement without the Manager's consent. If a Member Disposes of all or a portion of its Units without complying with this Section 3.03(b) and Sections 3.03(c) and 3.03(d), then in addition to the remedies allowable elsewhere under this Agreement, the Company may refuse to give effect to such Disposition on the Unit transfer books of the Company and may also institute proceedings to enjoin such Disposition.

(c) Requirements Applicable to All Dispositions and Admissions. In addition to the requirements set forth in Sections 3.03(a) or (b), as applicable, any Disposition of a Member's Units or any portion thereof, and any admission of an Assignee as a Member, shall also be subject to the following requirements, and such Disposition (and admission, if applicable) shall not be effective unless such requirements are complied with:

(i) Disposition Documents. The following documents must be delivered to the Manager to affect a Disposition and must be satisfactory, in form and substance, to the Manager:

(A) Disposition Instrument. A copy of the instrument pursuant to which the Disposition is effectuated.

(B) Ratification of Agreement. An instrument, executed by the Member effecting the Disposition and its Assignee, in form and substance acceptable to the Manager, containing at minimum the following information and agreements (and/or such other information, representations and covenants as Manager may request), to the extent they are not contained in the instrument described in Section 3.03(c)(i)(A): (i) the notice address of the Assignee; (ii) the Units and Commitment after the Disposition of the Member effecting the Disposition and its Assignee (which together must total the aggregate Units and Commitment of the Member effecting the Disposition and its Assignee before the Disposition); (iii) if the Assignee is to be admitted as a Member (or if the Assignee is an existing Member who has acquired additional Units or an increased Commitment as a result of such Disposition), (A) the Assignee's

ratification of this Agreement and agreement to be bound thereby, and (B) its confirmation that the representations and warranties in Section 3.02 are true and correct with respect to it; (iv) if the Assignee is not to be admitted as a Member, an acknowledgment by the Assignee that the Units acquired by it are subject in all respects to this Agreement; and (v) representations and warranties by the Member and its Assignee (A) that the Disposition (and admission, if applicable), is being made in accordance with all applicable Law, and (B) that the matters set forth in Sections 3.03(c)(i)(C), (D) and (E) are true and correct.

(C) **Authorization.** The transferee shall have provided the Company with evidence satisfactory to counsel for the Company of the Assignee's corporate authority (or other similar authority) to become a Member and to be bound by this Agreement.

(D) **Securities Law Opinion.** Unless the Units (or portion thereof) subject to the Disposition are registered under the Securities Act and any applicable state securities Law, the Manager may require a favorable opinion of the Company's legal counsel, or of other legal counsel reasonably acceptable to the Manager, to the effect that the Disposition (and admission, if applicable) (1) is being made pursuant to a valid exemption from registration under those Laws and in accordance with those Laws; and (2) will not cause the Company to lose its exemption from registration under the Investment Company Act.

(E) **Other Opinions.** The Manager may require a favorable opinion of the Company's legal counsel to the effect that the Disposition would (1) not result in the Company's being (+) taxed as a corporation by virtue of the application of Code Section 7704 (or any successor provision), (2) be considered to have ~~been terminated within the meaning of Code Section 708 if the effect of a termination would be disadvantageous to~~ material adverse tax consequences on any of the remaining Members, or (3) considered to hold "plan assets" for purposes of Subtitle A and Parts 1 and 4 of Subtitle B of Title I of ERISA and §4975 of the Code (or any successor provisions).

(F) **Filings.** Any amendments and filings required or appropriate under the Act shall have been made.

(G) **Estoppel/Investor Letter.** The transferee executes and delivers any Investor Letter required pursuant to Section 3.03(d).

(ii) **Payment of Expenses.** The Member effecting a Disposition and its Assignee shall pay, or reimburse the Company for, all reasonable costs and expenses incurred by the Company in connection with the Disposition (and admission, if applicable), including the legal fees incurred in connection with the

legal opinions referred to in Section 3.03(c)(i)(D) and (E), on or before the tenth (10th) day after the receipt by that Person of the Company's invoice for the amount due. If payment is not made by the date due, the Person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Rate.

(d) Encumbrance of Commitments. Each Member acknowledges and agrees that the Company shall, subject to the restrictions set forth in Section 6.01(b) hereof, be entitled to Encumber all or any portion of its rights under the Subscription Agreement executed by such Member and under this Agreement (including, without limitation, the right to call for contributions of capital hereunder) to one or more financial institutions as security for borrowed money or for the issuance by such financial institutions of letter(s) of credit (collectively, “**Financings**”). Each Member and each Assignee of a Member further agrees to deliver to any lender providing any Financing: (i) an estoppel letter in a form reasonably acceptable to such lender and Manager (“**Investor Letter**”), which Investor Letter may provide that such Member or Assignee of such Member agrees to waive its right to any setoff against, defense to or reduction of its obligation to make Capital Contributions hereunder based on any claim that such Member has against any Person (without prejudice to such Member’s rights in a separate action); (ii) any required opinions of counsel regarding due formation, valid existence and good standing of such Member, and due authorization, valid execution and delivery of such Member’s Subscription Agreement, this Agreement and any documents executed in connection with any such Financing, and such other opinion issues as may be requested by such lender; and (iii) any other instruments as may be reasonably requested by Manager or the lender in order to provide and close such Financing. If any such Member shall fail to execute any such Investor Letter, then such Member hereby irrevocably appoints the Manager as its attorney-in-fact solely for purposes of performing such actions and executing such documents necessary to implement the provisions of this Section 3.03(d). Each Member acknowledges that it may be required to fund its Commitment to an account of the Company maintained with such lender and pledged to secure such Financing. Any payment by any Member to such account pursuant to any such Investor Letter shall constitute a Capital Contribution by such Member for all purposes hereunder.

3.04 ~~Admission of Additional Members.~~ ~~[Intentionally Omitted].~~

~~(a) At the discretion of the Manager, additional Private Investors may be admitted to the Company until the Final Closing Date.~~

~~(b) The Original Members who acquire Units and the Persons who are first admitted as Private Investors between the Initial Closing Date and the Final Closing Date are referred to in this Section 3.04 as “Additional Members.” Any Original Member's acquisition of additional Units or Person's admission as an Additional Member shall be effective only after such Additional Member has executed and delivered to the Manager a ratification to this Agreement containing the notice address of the Additional Member, the Additional Member's ratification of this Agreement and agreement to be bound by it, and its confirmation that the representations and warranties in Section 3.02 are true and~~

~~correct with respect to it. No Member, except as provided in Section 3.03, Section 3.04 and Section 9.01(b), shall be admitted to the Company without the consent of the Majority in Interest of the Members. The provisions of this Section 3.04 shall not apply to the Disposition of Units or to the admission of Assignees in connection therewith, such matters being governed by Section 3.03.~~

~~(c) A portion of the initial capital call of each Additional Member will constitute consideration for the purchase of Units from the Members that participated in prior closings (the “Previously Admitted Members”) pursuant to the terms of this Section 3.04(c). Any of the Class B, Class C or Class D Units which are deemed to be transferred to an Additional Member pursuant to this Section 3.04(c) shall be treated as first having been exchanged by the Previously Admitted Members for an equal number of Class A Units and then transferred to the Additional Member as of the due date of an Additional Member's initial capital call (each, a “Closing Date”). The contribution of initial capital by an Additional Member shall be deemed to be a purchase of Units by such Additional Member pursuant to this Section 3.04(c), for Federal income tax purposes, and all other purposes herein.~~

~~(i) Each Additional Member's initial capital call shall include the purchase price for the Units it is deemed to be purchasing from the Previously Admitted Members. The number of Units deemed to be purchased by the Additional Member shall be determined taking (x) the aggregate Units held by the Previously Admitted Members and (y) multiplying that amount by the ratio of such Additional Member's Commitment to the aggregate Commitments of the Members (including both the Previously Admitted Members and the Additional Members).~~

~~(ii) Each Previously Admitted Member will be deemed to sell such number of its Units to an Additional Member as determined by taking (x) the number of Units purchased by such Additional Member and (y) multiplying that amount by the ratio of such Previously Admitted Member's Units to the aggregate number of Units of all Previously Admitted Members.~~

~~(iii) The aggregate purchase price for a Unit shall equal the sum of the following: (x) \$1,000; less (y) Distributable Cash (calculated on a per Unit basis) paid to the Previously Admitted Members prior to the Closing Date; plus (z) an interest charge equal to six percent (6%) per annum for the period from the Initial Closing Date until the Closing Date on the excess (if any) of the amount in clause (x) over the amount in clause (y) from time to time.~~

~~(iv) Any amounts to be paid by the Additional Members pursuant to this Section 3.04(d) will be distributed to the Previously Admitted Members (pro rata based on the number of Units held by the Previously Admitted Members) as consideration for the deemed sale of Units to the Additional Members, and shall not constitute Distributable Cash of the Company for Federal income tax purposes and all other purposes herein.~~

~~(v) The determination of each Previously Admitted Member's Capital Contributions and Commitment shall be made as if the Previously Admitted Member had never made the portion of its Capital Contributions attributable to the Units purchased by the Additional Members under this Section 3.04(d).~~

~~(vi) Any amounts paid by the Additional Members as interest pursuant to Section 3.04(d)(iii)(z) above shall not be deemed to be Capital Contributions and shall be in addition to (and not reduce) such Additional Member's Commitment.~~

~~(d) No additional Units shall be issued, and no additional Members shall be admitted to the Company, except for Assignees of a Member in accordance with Section 3.03.~~

~~(e) As provided in Code Section 706 and Section 5.03(b), Net Income or Net Loss or items of income, gain, loss, or deduction attributable to periods prior to the admission of the Additional Member (or any increase in an Original Member's Commitment) shall not be allocated to the Additional Member. Notwithstanding anything in this Agreement to the contrary, if there is no revaluation of assets and adjustment of Capital Accounts, the Manager may make or cause to be made special allocations or special distributions so as to equalize (per Commitment Percentage) the Capital Accounts of Additional Members with those of the Original Members, including, but not limited to, by way of special allocations of Code Section 705(a)(2)(B) expenditures to the Additional Members in amounts equal to any Net Losses for periods prior to the admission of the Additional Members, or by way of special distributions of cash to previously admitted Members in amounts equal to the Net Income for periods prior to admission of the Additional Members.~~

3.05 **Dispositions of Interests in a Member.** No Member may cause or permit an interest, direct or indirect, in itself to be Disposed of such that, ~~after~~ such Disposition ~~the Company~~ would be considered to have ~~terminated within the meaning of Code Section 708,~~ material adverse tax consequences on any of the remaining Members, or such that the Company would thereby be considered to be a publicly traded partnership within the meaning of Section 7704 of the Code.

3.06 **Withdrawal.** Except as permitted in this Agreement, no Member shall have the right or power to Withdraw.

3.07 **Information.**

(a) Each Member shall take reasonable steps to keep confidential the terms and provisions of this Agreement, the Private Placement Memorandum and all other documents delivered to such Member pursuant to this Section 3.07 or otherwise in connection with the Company or any investment by the Company and shall not disclose such information to any third party without the prior written consent of the Manager. The Manager shall also take reasonable steps to keep all material, nonpublic information with

respect to the Company confidential. Notwithstanding the foregoing, a Member may deliver or disclose confidential information to (i) its trustees, directors, officers, employees, agents, attorneys, investors, affiliates, financial advisors and other professional advisors (each, an “**Authorized Representative**”), (ii) any other Member, (iii) any Person to which a Member sells or offers to sell all or a portion of its Units, (iv) any Person to whom the Manager offers to sell any of the Company assets, (v) any federal or state regulatory authority having jurisdiction over a Member, or (vi) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to a Member, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which a Member is a party or (z) to the extent reasonably necessary to allow a Member to enforce its rights and remedies under this Agreement. Prior to any disclosure to any Authorized Representative, each Member shall advise such Authorized Representative of the obligations set forth in this Section 3.07(a).

(b) Each Member shall reimburse the Company for all actual costs and expenses incurred by the Company in connection with the Member's request for the Manager to copy the Company's books and records.

3.08 Limitations on Members' Authority and Liability.

(a) No Management Rights. No Member (other than the Manager) shall participate in the management or control of the business of the Company or transact any business in the name of the Company. No Member (other than the Manager) shall have the power or authority to bind the Company or to sign any agreement or document in the name of the Company. No Member shall owe any duties, fiduciary or otherwise, to the Company or any other Member except as expressly stated herein.

(b) Limitation on Liability. The liability of each Member shall be limited to its Commitment and outstanding principal and interest on any Default Loan made to such Member. Except as set forth in the preceding sentence, no Member shall have any other liability to contribute money to the Company, except as otherwise required by the Act. No Member shall be obligated to make loans to the Company. No Person who is an officer, director, trustee, board member, member, manager, shareholder, employee or agent of any Member shall be liable to the Company or any other Member for the payment of any claims against such Member or for the performance of such Member's obligations hereunder.

ARTICLE 4

COMMITMENTS AND CAPITAL CONTRIBUTIONS

4.01 Commitments.

(a) Contemporaneously with or prior to each Member's execution of this Agreement, each Member shall execute a subscription agreement obligating such

Member, subject to the conditions hereof, to make contributions of capital prior to the Commitment Termination Date (subject to the limitations contained in Section 6.04(d)), up to the maximum amount set forth in **Exhibit A** for such Member (a “**Subscription Agreement**”). The Commitments of the ~~Original~~ Members, and their respective Commitment Percentages, are set forth in **Exhibit A**. The Manager shall amend **Exhibit A** ~~upon the admission of the Additional Members~~ from time to time ~~as provided for in Section 3.04, and from time to time thereafter~~ as required under this Agreement, including, without limitation, upon Dispositions, and upon any adjustments pursuant to Section 4.05, so that **Exhibit A** at all times reflects all Members and their respective addresses, Commitments and Commitment Percentages.

(b) In addition to the foregoing, the Members shall be obligated to re-contribute back to the Company any distributions previously made to the Members for a period of two (2) years following the termination and liquidation of the Company for the purpose of paying and satisfying obligations and liabilities of the Company, including without limitation indemnification obligations under Section 6.08 hereof, and the costs and expenses of the Company (including without limitation reasonable attorney’s fees). Any distributions that are recalled shall be contributed by the Members in the reverse order (and in the proportions) that such distributions were previously made.

4.02 **Return of Contributions.** Except as ~~expressly provided for in Section 3.04 or~~ otherwise provided in this Agreement, a Member is not (a) entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital account or its Capital Contributions, or (b) required to contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company, Manager or any of the Members.

4.03 **Advances by Manager.**

(a) If the Company does not have sufficient cash to pay its obligations, subject to the approval of the Investment Committee, the Manager shall have the right (but not the obligation) to advance all or part of the needed funds to or on behalf of the Company if necessary to make Investments or otherwise satisfy the Company’s obligations when due. The Company will pay interest to the Manager on any such advances outstanding accruing at the rate of five percent (5%) per annum until paid. The Company shall not make any distributions to the Members until the principal amount and accrued but unpaid interest of any such Manager advance has been paid in full. Any Manager advance described in this Section 4.03 constitutes a loan from the Manager to the Company and is not a Capital Contribution. The Manager shall call for capital contributions from the unfunded Commitments of the Members in accordance with Section 4.05 to repay any such advance by the Manager within one hundred twenty (120) days of the making of such advance.

(b) In lieu of making advances to the Company to make Investments, subject to the approval of the Investment Committee, the Manager will have the right to make Investments itself and to sell such Investments within one hundred twenty (120) days

after closing to the Company, subject to the approval of such Investment by the Investment Committee as provided in Section 10.02, for a purchase price equal to 100% of principal plus accrued interest to the date of purchase.

(c) ~~If the Manager makes Investments prior to the Initial Closing of the Company, including but not limited to the Specified Investments,~~ he Manager will have the right to sell ~~such~~the Specified Investments to the Company for a purchase price equal to 100% of principal plus accrued interest to the date of purchase.

4.04 Capital Accounts. A capital account (“**Capital Account**”) shall be established and maintained on the books of the Company for each Member throughout the full term of the Company in accordance with the rules of Treas. Reg. §1.704-1(b)(2)(iv). Pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(b), each Member's Capital Account (a) shall be increased by (i) the Capital Contributions of that Member to the Company, (ii) the Tax Book Value of property contributed by that Member to the Company (net of liabilities secured by the contributed property that the Company is considered to assume or take subject to under Code Section 752), and (iii) allocations to that Member of Company income and gain (or items thereof) pursuant to Article 5, including income and gain exempt from tax and income and gain described in Treas. Reg. §1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treas. Reg. §1.704-1(b)(4)(i); (b) shall be decreased by (i) the amount of money distributed to that Member by the Company, (ii) the Tax Book Value of property distributed to that Member by the Company (net of liabilities secured by the distributed property that the Member is considered to assume or take subject to under Code Section 752), (iii) allocations to that Member pursuant to Article 5 of expenditures of the Company described in Code Section 705(a)(2)(B), and (iv) allocations to that Member of Company loss and deduction (or items thereof) pursuant to Article 5, including loss and deduction described in Treas. Reg. §1.704-1(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Treas. Reg. §1.704-1(b)(4)(i) or §1.704-1(b)(4)(iii); and (c) shall be otherwise adjusted in accordance with the additional rules set forth in Treas. Reg. §1.704-1(b)(2)(iv). The Members' Capital Accounts shall be adjusted to reflect revaluations of Company property to the extent permitted by and in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(f); provided, however, that such adjustment shall be made only if the Manager reasonably determines that such adjustment is necessary or appropriate to reflect the relative economic interests of the Members ~~(and subject to Section 3.04, if applicable)~~, or upon liquidation of the Company within the meaning of Treas. Reg. §1.704-1(b)(2)(ii)(g). As indicated herein, if under Treas. Reg. §1.704-1(b)(2)(iv)(d) or (f) property is reflected on the Company's books and in the Members' Capital Accounts at a Tax Book Value that differs from the adjusted tax basis of the property, then the Members' Capital Accounts shall be adjusted in accordance with Treas. Reg. §1.704-1(b)(2)(iv)(g) to reflect allocations to the Members of depreciation, depletion, amortization, other cost recovery, and gain or loss with respect to such property as computed for book purposes (rather than the allocations of the corresponding tax items). A Member that acquires Units on more than one occasion shall have a single Capital Account that reflects all Units owned by that Member, regardless of the time or manner in which those Units were acquired. On the transfer of all or part of a Member's Units, the Capital Account of the transferor that is attributable to the transferred Units shall carry over to the transferee Member in accordance with the provisions of Treas. Reg. §1.704-1(b)(2)(iv)(l).

4.05 Required Capital Contributions.

(a) Subject to the limitations contained in Section 6.04(b) and the other requirements of this Agreement, during the Commitment Period, each Member shall contribute to the capital of the Company an amount up to, but not to exceed, its aggregate Commitment. The Company will issue one (1) Unit for each \$1,000 of capital contributed to the Company by such Members (or a partial Unit for capital totaling less than \$1,000). No Member shall have any obligation to make any contributions to the Company after the expiration of the Commitment Period, except as otherwise provided in this Agreement. Each Member shall be required to contribute its Commitment Percentage of the aggregate amount of all contributions of capital to the Company which may be called for from time to time by the Manager prior to the Commitment Termination Date; provided that no Member shall ever be obligated to make contributions of capital to the Company in excess of its Commitment. The Manager will give each Member not less than ~~five~~ ten (~~5~~10) Business Days prior written notice of any required contributions of capital to the Company, including such Member's Commitment Percentage thereof, which notice shall contain a brief description of the intended uses of such contributions of capital. The Manager shall not call for capital contributions from the Members more frequently than once per calendar quarter. The Members agree that Capital Contributions can be used for any lawful Company purpose consistent with the provisions of this Agreement. No Capital Contributions returned to Members (~~other than Capital Contributions returned pursuant to Section 3.04~~) shall be subject to recall and re-contribution, except as otherwise provided in Section 4.01(b) or Section 5.01(c). All Capital Contributions shall be made to the Company by wire transfer in same day funds on or before the date specified in the written notice from the Manager of a required contribution of capital.

(b) If a Member fails to pay any installment of its Commitment when due, a written notice of default shall be given to such Member in accordance with Section 4.06 by the Manager. If the installment is not received by the Company prior to the expiration of the cure period set forth in Section 4.06, in the Manager's sole and absolute discretion, such amount shall constitute a demand loan to such Member payable to the Company ("Default Loan") that shall bear interest at the Default Rate, compounded monthly, from and after the original due date of such installment (the "Default Date") until the earliest of either (i) the payment of such installment, including any interest accruing under this Section 4.05(b), (ii) the purchase of such Defaulting Member's Defaulted Interest (as defined below) under Section 4.05(c), or (iii) the conclusion of foreclosure proceedings under Section 4.05(e). In addition, the Company may receive reimbursement from the Defaulting Member for all out-of-pocket expenses, including without limitation, for reasonable attorney's fees, incurred in connection with the collection and other ~~efforts~~enforcement actions in respect of the defaulted installment. Any interest and/or expense reimbursement paid by a Defaulting Member pursuant to this Section 4.05(b) shall not be treated as a Capital Contribution by the Defaulting Member but shall be treated as income of the Company. The Manager may require the payment of such interest and/or expense reimbursement whether or not it exercises any other rights or remedies pursuant to this Section 4.05. Notwithstanding any other provision of this

Agreement, the Company shall have the right to withhold any distributions due to a Defaulting Member and apply any such distributions to the payment of such Defaulting Member's Default Loan and any interest accrued and unpaid thereon and to the payment of any expense reimbursements due hereunder, and any amounts so withheld shall be treated, for all purposes, as if such amounts had first been distributed to the Defaulting Member and thereafter paid by the Defaulting Member to the Company as follows: (I) first, in payment of any expense reimbursements due hereunder, (II) second, in payment of any accrued and unpaid interest on such Default Loan and (III) third, in payment of the principal on such Default Loan.

(c) In addition to, and not in limitation of the foregoing, the Company shall have such rights and remedies as are available at law or in equity to compel the Defaulting Member to make the required contribution of capital; provided, however, that the Company shall not exercise such rights until the expiration of the cure period set forth in Section 4.06. Such rights and remedies shall include but not be limited to the following rights and remedies, which shall be cumulative with all other rights and remedies (except to the extent that such cumulative remedies should result in a duplicate recovery):

(i) (A) offer to all Non-Defaulting Members (pro rata in proportion to the Non-Defaulting Members' respective Commitment Percentages) the right to acquire (subject to the terms of Section 3.03 hereof) all or any portion of the Units of the Defaulting Member in the Company (a "**Defaulted Interest**") and (B) in the event that the entire Defaulted Interest of the Defaulting Member is not acquired by the Members pursuant to clause (i)(A) above, offer to all Non-Defaulting Members who elected to purchase under clause (i)(A) above (pro rata in proportion to such Non-Defaulting Members' respective Commitment Percentages) the right to acquire (subject to the terms of Section 3.03 hereof) the remaining portion of the Units of the Defaulting Member in the Company;

(ii) in the event that the entire Defaulted Interest of the Defaulting Member is not acquired by the Members pursuant to clause (i) above, cause the Company to acquire all or a portion of the portion of such Defaulting Member's Defaulted Interest in the Company not so acquired by the Members; provided, however, that the aggregate amount of the Defaulting Member's Defaulted Interest purchased by the Members pursuant to clause (i) and by the Company pursuant to this clause (ii) must be equal to the entire Defaulted Interest of the Defaulting Member, unless the remainder of such Defaulted Interest is acquired pursuant to clause (iii) below; and/or

(iii) in the event that the entire Defaulted Interest of the Defaulting Member is not acquired by the Members pursuant to clause (i) above and/or by the Company pursuant to clause (ii) above, designate one or more third parties, which parties may be Members, that will be permitted to acquire (subject to the terms of Section 3.03 hereof) all, but not less than all, of the Defaulting Member's Defaulted Interest not so acquired by the Members or the Company.

(d) Any Disposition of Units under this Section 4.05(c) shall be effectuated to ensure that such Disposition will not cause: (I) the assets of the Company to be treated as Plan Assets or (II) the Company to lose its exemption from registration under the Investment Company Act. In the event that a Defaulting Member shall pay any overdue installment of its Commitment, plus interest in accordance with subsection (b) above, prior to the expiration of the cure period set forth in Section 4.06, such Member shall cease to be a Defaulting Member and the remedies provided in this subsection (c) and in subsection (e) below shall not be available with respect thereto. In the event that a Defaulting Member shall fail to cure its default within the cure period set forth in Section 4.06, then such Defaulting Member shall cease to be a Member for all purposes as of the date of the issuance of the written notice described above in Section 4.05(b) if so elected by the Manager by notice from the Manager to such Defaulting Member. ~~(d)~~ With respect to any acquisition made pursuant to subsection (c) above, the aggregate consideration payable to the Defaulting Member shall be an aggregate amount equal to fifty percent (50%) of such Defaulting Member's Hypothetical Liquidation Amount determined as of the Default Date and shall be payable: (I) in the case of an acquisition pursuant to either subsection (c)(i) or (c)(iii) above, in the form of a cash payment or (II) in the case of an acquisition pursuant to subsection (c)(ii) above, in the form of a cash payment and/or a non-interest bearing, nonrecourse ~~ten-year~~ promissory note (in a form approved by the Manager), secured only by the Defaulting Member's Units being purchased, payable to the Defaulting Member. Until such promissory note is paid in full, all distributions to the Company allocable to such Defaulting Member's Units shall be applied to repay such promissory note. The fifty percent (50%) discount set forth in the immediately preceding sentence is not intended to be a forfeiture or penalty (and no Defaulting Member shall plead or claim that these provisions constitute a forfeiture or penalty) and such discount shall constitute liquidated damages which have been fully negotiated and discussed and each Member completely understands and comprehends the intent, effect and potential ramifications thereof. The Members agree that the provisions of this Section 4.05(d) are a reasonable remedy for the monetary damage that would result from any Member's failing to make its required Capital Contributions as and when from time to time required pursuant to the provisions of this Agreement. Each acquiring party shall be obligated, severally and not jointly, to pay its *pro rata* portion of such consideration based on the percentage of the Defaulting Member's Defaulted Interest acquired by such party. In the event that the Manager exercises its right to cause the Company to acquire all or a portion of a Defaulting Member's Defaulted Interest pursuant to subsection (c)(ii) above, for purposes of determining each Member's liability for any resulting capital calls made in connection therewith, the Commitment Percentages of the Members shall be calculated assuming that the Company's proposed purchase of all or a portion of the Defaulted Interest has been completed. Any Non-Defaulting Member or third party that acquires all or a portion of a Defaulting Member's Defaulted Interest shall also assume the portion of the Defaulting Member's Commitment corresponding to the acquired portion of the Defaulted Interest and shall pay to the Company, concurrently with the payment of the purchase price to the Defaulting Member, an amount representing the portion of the Defaulting Member's capital call that is then due and unpaid that corresponds to the acquired portion of the Defaulted Interest (excluding any interest

accrued under Section 4.05(b)). In the event that the Company acquires any portion of a Defaulting Member's Defaulted Interest, the portion of the Defaulting Member's Commitment that corresponds to the portion of the Defaulted Interest acquired by the Company shall be cancelled. Any interest that accrues under Section 4.05(b) with respect to a Defaulting Member's Defaulted Interest prior to the acquisition of such Defaulted Interest pursuant to Section 4.05(c), shall remain an obligation of the Defaulting Member and shall not be assumed by any Person acquiring the Defaulted Interest unless otherwise agreed in writing by such Person and the Defaulting Member.

(e) In addition to or in lieu of, and not in limitation of, any of the foregoing, upon expiration of the cure period set forth in Section 4.06, the Manager may commence proceedings to collect any due and unpaid installment of the Defaulting Member's Commitment (plus interest in accordance with subsection (b) above) and the expenses of collection, including court costs and attorneys' fees and disbursements.

(f) Any actions taken by the Manager or the Company pursuant to subsections (b) through (e), inclusive, of this Section 4.05 shall be in addition to and not in limitation of any other rights or remedies that the Company may have against the Defaulting Member, including, but not limited to, the right to hold the Defaulting Member responsible for any damages or liabilities (including attorneys' fees) to which the Company may be subjected (in whole or in part) as a result of the default by the Defaulting Member.

(g) Each Member hereby agrees that, in the event that such Member shall fail to pay when due any installment of its Commitment required pursuant to Section 4.05(a) and the Manager pursues on behalf of the Company any remedy set forth in subsection (d) above, such Member shall sell to the Company, any designee of the Manager or any and all Members making the election contemplated by subsection (c) above, as applicable, all of its Units in consideration of the amount determined in accordance with the provisions of subsection (d) of this Section 4.05.

(h) So long as a Defaulting Member remains a Defaulting Member, such Member shall not be entitled to exercise any voting rights or right to purchase any other Defaulting Member's interest otherwise granted to such Member under this Agreement. A Member shall be considered a Defaulting Member from and after the date of delivery of written notice thereof in accordance with Section 4.06.

(i) Any adjustment in Units, Commitment Percentage and Commitments pursuant to Sections 3.03, 3.04 or 4.05 shall be automatic without the necessity of any further action by any Member. Each Member hereby irrevocably appoints the Manager as its attorney-in-fact for purposes of performing such actions and executing such documents necessary to implement the provisions of this Section 4.05.

4.06 Default Cure Period; Default Notice and Exercise of Default Remedies. If any Member shall default in the performance of its obligations under this Agreement and such default shall not be cured within five (5) days after the occurrence of such default, the Manager shall

have the right to exercise, for the benefit of the Company, any remedies available at law (including, without limitation, under the Act), in equity, under this Agreement or otherwise, subject to the limitations set forth in Section 3.08(b) and Section 6.03.

ARTICLE 5

DISTRIBUTIONS AND ALLOCATIONS

5.01 Distributions.

(a) Priority of Distributions. Not less than once each calendar quarter, the Manager shall determine the extent (if any) of the Company's Distributable Cash. If the Manager, in its reasonable discretion, determines that such Distributable Cash exists, and may be distributed under the Company's loan agreements, promissory notes and other agreements, the Manager shall distribute the Distributable Cash to the Members as soon as reasonably practicable. All distributions of Distributable Cash or other property shall be made in the following order of priority:

(i) First, to the Private Investors and the Social Impact Investor, in proportion to their ~~pro rata shares of the sum of (A) an amount sufficient to provide a 6% Preferred Return to the Private Investors, plus (B) an amount sufficient to provide a 3% Preferred Return to the Social Impact Investors~~accrued but unpaid Preferred Returns, until the aggregate distributions to the Private Investors and the Social Impact Investor under this clause (i) are sufficient for each of the Private Investors to receive a 6% Preferred Return and for each of the Social Impact Investors to receive a 3% Preferred Return;

(ii) Second, to the Private Investors, in proportion to their respective Capital Contributions, until the aggregate distributions to the Private Investors under this clause (ii) are sufficient to return their respective Capital Contributions to the Company;

(iii) Third, to the Social Impact Investors, in proportion to their respective Capital Contributions, until the aggregate distributions to the Social Impact Investors under this clause (iii) are sufficient to return their respective Capital Contributions to the Company;

(iv) Fourth, to the Government Investor and CIC, in proportion to their respective Capital Contributions, until the aggregate distributions to the Government Investor and CIC under this clause (iv) are sufficient for each of them to receive a 3% Preferred Return;

(v) Fifth, to the Government Investor and CIC, in proportion to their respective Capital Contributions, until the aggregate distributions to the Government Investor and CIC under this clause (v) are sufficient to return their respective Capital Contributions to the Company;

(vi) Sixth, to the Social Impact Investors, the Government Investor and CIC, in proportion to their pro rata shares of an amount sufficient to provide a 6% Preferred Return to each of such Members, until the aggregate distributions to each of the Social Impact Investors, the Government Investor and CIC under clauses (i), (iv) and (vi) are sufficient for each of them to receive a 6% Preferred Return; and

(vii) Seventh, the remainder, if any, to the Private Investors, the Social Impact Investors, the Government Investor and CIC, in proportion to their respective weighted average unreturned Capital Contributions to the Company as a share of the weighted average ~~capital contributions~~ Capital Contributions of all the Members to the Company.

See Schedule 5.01(a) attached hereto for illustration of the distribution waterfall.

(b) Form of Distributions. Except as approved by a Majority in Interest of the Members, all distributions shall be made in cash.

(c) Distributions Prior to Investment Period Termination Date. If the Company makes any distributions to the Members under Section 5.01(a)(ii), 5.01(a)(iii) or 5.01(a)(v) prior to January 9, 2021, then, at the option of the Manager, an amount equal to each Member's pro rata share of such distributions shall be added back to such Member's unfunded Commitment, and such amount shall be subject to recall by the Manager and shall be recontributed by such Member to the Company as provided in Section 4.05.

5.02 Liquidation of Member's Interest. Upon a liquidation of a Member's Units as defined in Treas. Reg. §1.761-1(d) that is not in connection with liquidation of the Company under Article 9, the liquidation distributions to such Member shall be made in accordance with, and to the extent of, the positive balance in that Member's Capital Account, as determined after taking into account all Capital Account adjustments (other than those pursuant to this Section 5.02) for the Fiscal Year during which such liquidation occurs; provided, however, that this Section 5.02 shall not apply to a purchase or redemption of any Units which is pursuant to Article 3 or any other agreement negotiated at arm's length by persons who at the time such agreement is entered into have materially adverse interests and which does not have as a principal purpose avoidance of the principles of Treas. Reg. §1.704-1(b)(2)(ii)(a).

5.03 General Allocations of Net Income and Net Loss. Net Income or Net Loss for each Fiscal Year or other period shall be allocated to and among the Members in accordance with this Section 5.03. Each separately allocated item of income, gain, loss, deduction and credit included in Net Income or Net Loss shall be allocated in the same manner as the Net Income or Net Loss is allocated. Any Qualified Income Offset, Gross Income Allocation, Nonrecourse Deduction, Member Nonrecourse Deductions, Member Minimum Gain Chargeback, Minimum Gain Chargeback, Code Section 704(c) allocations, or other amount shall be specially allocated under Sections 5.04, 5.05, 5.06, 5.07, 5.08, 5.09, 5.10, 5.11 and 5.12 before any other allocations, and the Minimum Gain Chargebacks shall be the first allocations made.

(a) All items of income, gain, loss and deduction used in determining Net Income or Net Loss for any accounting period shall be allocated among the Members in a manner such that if the Company were dissolved, its affairs wound up and its assets distributed to the Members in accordance with their respective Capital Account balances immediately after making such allocation, such distributions would, as nearly as possible, be equal to the distributions that would be made pursuant to Section 5.01. For the purposes of this Section 5.03(a), the assets held by the Company shall be deemed to have a value equal to their Tax Book Value (without regard to sub-clause (ii)(C) of the definition of Tax Book Value). The foregoing allocations are intended to cause all items of income, gain, deduction and loss to be allocated in a manner consistent with the distributions described in Section 5.01. To effectuate this result, the Manager may, in its discretion, make such other assumptions (in addition to those described above in this Section 5.03), as it deems necessary or appropriate in order to cause the allocations of income, gain deduction and loss to be consistent with the intended economic arrangement of the Members as set forth in Section 5.01.

(b) Net Income or Net Loss, and any separately stated item of income, gain, loss, or deduction, shall be allocated under this Article 5, and all distributions shall be made pursuant to Sections 5.01, 5.02 and 9.02, to the Persons shown on the records of the Company to have been Members as of the last calendar day of the period for which the allocation or distribution is to be made. Notwithstanding the foregoing, if during any Fiscal Year there is a change in any Member's pro rata share of Units in the Company, the Members agree that their allocable shares of the Net Income or Net Loss and the items of income, gain, loss and deduction for the Fiscal Year shall be determined on any method determined by the Manager to be permissible by Code Section 706 and the related Treasury Regulations to take account of the Member's varying share of Units.

5.04 **Qualified Income Offset.** A Member who unexpectedly receives any adjustment, allocation or distribution described in Treas. Reg. §1.704-1(b)(2)(ii)(d)(4), (5) or (6) will be specially allocated items of income or gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year) in an amount and manner sufficient to eliminate any resulting deficit balance in his Adjusted Capital Account as quickly as possible. This Section 5.04 is intended to satisfy the provisions of Treas. Reg. §1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

5.05 **Gross Income Allocation.** If any Member has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Treas. Reg. §§1.704-2(g)(1) and (i)(5), each such Member shall be specially allocated items of Company income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 5.05 shall be made only if and to the extent that such Member would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 5 have been made as if Section 5.04 hereof and this Section 5.05 were not in the Agreement.

5.06 **Nonrecourse Deductions.** Nonrecourse Deductions for a Company Fiscal Year shall be allocated to and among the Members pro rata in accordance with their respective number of Units held by each Member. This Section 5.06 is intended to comply with the provision of Treas. Reg. §1.704-2(e) and shall be interpreted consistently therewith. As provided for in Treas. Reg. §1.752-3, excess Nonrecourse Liabilities of the Company shall be allocated among the Members in accordance with the manner in which it is reasonably expected that the Nonrecourse Deductions attributable to those Nonrecourse Liabilities will be allocated.

5.07 **Minimum Gain Chargeback.** Except as otherwise provided in or pursuant to Treas. Reg. §1.704-2(f), if there is a net decrease in Company Minimum Gain for a Company Fiscal Year, each Member shall be allocated items of Company income and gain for that year equal to that Member's share of the net decrease in Company Minimum Gain, as determined under Treas. Reg. §1.704-2(g). It is the intent of the Members that any allocation pursuant to this Section 5.07 shall constitute a “minimum gain chargeback” under Treas. Reg. §1.704-2(f) and shall be interpreted consistently therewith. Thus, for example, no such chargeback to a Member shall be required by reason of a guarantee, refinancing, or other change to a Nonrecourse Debt that causes the debt to become partially or wholly recourse debt or Member Nonrecourse Debt, and the Member bears the economic risk of loss for the newly guaranteed, refinanced, or otherwise changed liability.

5.08 **Member Nonrecourse Deductions.** All Member Nonrecourse Deductions attributable to Member Nonrecourse Debt shall be allocated to the Member bearing the economic risk of loss for such debt as determined under Treas. Reg. §1.704-2; provided, however, that if more than one Member bears the economic risk of loss for such debt, the Member Nonrecourse Deductions attributable to such debt shall be allocated to and among the Members in the same proportion that they bear the economic risk of loss for such debt. This Section 5.08 is intended to comply with the provision of Treas. Reg. §1.704-2(i) and shall be interpreted consistently therewith.

5.09 **Member Minimum Gain Chargeback.** Notwithstanding any other provision hereof to the contrary, if during a Company Fiscal Year there is a net decrease in Member Minimum Gain (or if there was a net decrease in Member Minimum Gain for a prior Company Fiscal Year and the Company did not have sufficient amounts of income and gain during prior years to allocate among the Members under this Section 5.09), then items of income and gain for the year shall be allocated to each Member that had a share of the Member Minimum Gain as of the beginning of the year, in an amount equal to such Member's share of the net decrease in the Member Minimum Gain (as determined pursuant to Treas. Reg. §1.704-2(i)(4)). It is the intent of the Members that any allocation pursuant to this Section 5.09 shall constitute a “minimum gain chargeback” under Treas. Reg. §1.704-2(i)(4) and shall be interpreted consistently therewith. Thus, for example, no such chargeback shall be required by reason of a conversion, refinancing, or other change to a Member Nonrecourse Debt that causes the debt to become a partially or wholly nonrecourse liability.

5.10 **Section 704(c) Allocations.** If the Tax Book Value of a Company property differs from its adjusted tax basis, whether because the property was contributed to the Company by a Member, as a result of a revaluation of Company property pursuant to Treas. Reg.

§1.704-1(b)(2)(iv)(f), or otherwise, any income, gain, loss or deduction with respect to the property shall, solely for income tax purposes, be allocated among the Members in accordance with Code Section 704(c) and the regulations thereunder so as to take account of such difference. Any elections or other decisions relating to such allocations shall be made by the Manager in a manner that reasonably reflects the purpose and intention of this Agreement. Allocations pursuant to this Section 5.10 are solely for purposes of federal, state and local taxes and shall not affect, or in any way be reflected in or taken into account in computing, any Member's Capital Account or share of distributions pursuant to any provision of this Agreement.

5.11 **Depreciation Recapture.** Subject to Section 5.10, if any portion of taxable gain recognized from the disposition of property by the Company represents the “recapture” of previously allocated deductions by virtue of the application of Code Section 1(h)(1)(D), 1245 or 1250 (“**Recapture Gain**”), such Recapture Gain shall be allocated as follows:

(a) First, to the Members in proportion to the lesser of each Member’s (A) allocable share of the total taxable gain recognized from the disposition of such property and (B) share of depreciation or amortization with respect to such property (as determined in the manner provided under Regulations Sections 1.1245-1(e)(2) and (3)), until each such Member has been allocated Recapture Gain equal to such lesser amount.

(b) Second, the balance of Recapture Gain shall be allocated among the Members whose allocable shares of total taxable gain from the disposition of such property exceed their shares of depreciation or amortization with respect to such property (as determined in the manner provided under Regulations Sections 1.1245-1(e)(2) and (3)), in proportion to their shares of total taxable gain (including Recapture Gain) from the disposition of such property; provided, however, that no Member shall be allocated Recapture Gain under this Section 5.11(b) in excess of the total taxable gain otherwise allocated to such Member from such disposition.

5.12 **Curative Allocations.** The allocations set forth in Sections 5.04, 5.05, 5.06, 5.07, 5.08, and 5.09 (the “**Regulatory Allocations**”) are intended to comply with certain requirements of Treas. Reg. §§1.704-1(b) and -2. The Regulatory Allocations may not be consistent with the manner in which the Members intend to allocate profit and loss or to make Company distributions. Accordingly, notwithstanding the other provisions of this Article 5, but subject to the Regulatory Allocations, the Manager is hereby directed to reallocate, in its discretion in any reasonable manner and taking into account likely future offsetting Regulatory Allocations, items of income, gain, deduction and loss, or Code Section 705(a)(2)(B) expenditures, or Net Income or Net Loss, among the Members so as to eliminate the effect of the Regulatory Allocations and thereby to cause the Members' respective Capital Accounts to be in the amounts (or as close thereto as possible) they would be if Net Income and Net Loss and all other items of income, gain, deduction or loss were allocated without reference to the Regulatory Allocations. In addition, if in any Fiscal Year or other period there is a decrease in Company Minimum Gain, or in Member Nonrecourse Debt Minimum Gain, and, in the Manager's view, application of the Minimum Gain Chargeback provisions in Sections 5.07 or 5.09 would distort the economic arrangement among the Members, the Manager may, if the Manager does not expect the Company to have sufficient other income to correct that distortion, request the Internal Revenue

Service to waive the Minimum Gain Chargeback requirement, and if the request is granted, make appropriate adjustments in the application of this Agreement. The parties intend that the allocation provisions of this Article 5 will produce Capital Account balances of the Members under Section 4.04 that will cause liquidating distributions made in accordance with such Capital Account balances to conform with the distribution scheme set forth in Section 5.01. To the extent this does not happen, such allocation provisions shall be amended, and items of income and loss of the Company for prior open years may be reallocated, by the Manager if and to the extent necessary to produce this result.

5.13 **Resolution of Disputes.** Except with respect to matters as to which the Manager is granted discretion hereunder, the opinion of the independent public accountants retained by the Company from time to time shall be final and binding with respect to all disputes as to computations and determinations required to be made under this Article 5 (including computations and determinations in connection with any distribution pursuant to Article 9).

ARTICLE 6

MANAGEMENT

6.01 Management of the Company's Affairs.

(a) **Powers of the Manager.** Except as otherwise expressly provided in this Agreement, and subject to the limitations set forth in Section 6.02, all management powers over the business and affairs of the Company are and shall be exclusively vested in the Manager, which shall act as the manager of the Company under the Act, and no Member (other than the Manager) shall have any right to participate in or exercise control or management power over the business and affairs of the Company. In managing the business and affairs of the Company, the Manager shall exercise the same degree of care that a prudent investor would apply in the management of its own property and shall act in a manner reasonably believed to be in the best interests of the Company and its Members. In addition to the powers now or hereafter granted the manager of a limited liability company under the Act and applicable law or which are granted to the Manager under any other provision of this Agreement, the Manager, subject to Sections 6.01(b), ~~6.02~~ and 6.02, Article 10 and other applicable provisions of this Agreement, shall have full power and authority to do all things deemed necessary or desirable by it to conduct the business of the Company, to exercise all powers set forth in Article 6 and to effectuate the purposes set forth in Section 2.04, including, without limitation:

(i) the making of any expenditures on behalf of the Company in the ordinary course of its business, the lending or borrowing of money (including, without limitation, making prepayments on loans and borrowing money to permit the Company to make distributions to its Members), or the assumption or guarantee of or other contracting for indebtedness and other liabilities, the issuance of evidences of indebtedness ~~(including the securing of same by mortgage, deed of trust or other lien or encumbrance on the Company's assets)~~ and the incurring of any obligations the Manager deems necessary for the conduct of

the activities of the Company; provided, however, that all such ~~guarantees and~~ indebtedness shall (A) be secured solely by the ~~assets of the Company and~~ unfunded Commitments of the Members, and (B) not expose any Member to personal liability; further provided that the Company shall endeavor to repay outstanding indebtedness under any credit facilities of the Company within 180 days after incurring any such indebtedness from time to time.

(ii) the making of tax, regulatory and other filings; or rendering of periodic or other reports to governmental or other agencies having jurisdiction over the business or assets of the Company;

(iii) the acquisition, disposition, or exchange of any or all of the assets of the Company (including the exercise or grant of any conversion, option, privilege or subscription right or other right available in connection with any assets at any time held by the Company);

(iv) the use of the assets of the Company (including, without limitation, cash on hand) for any purpose consistent with the terms of this Agreement and the repayment of obligations of the Company;

(v) the management, operation, leasing, landscaping, repair, alteration, demolition or improvement of any property owned by the Company or any Subsidiary of the Company or any Person in which the Company has made a direct or indirect equity investment;

(vi) the negotiation, execution, and performance of any contracts, conveyances or other instruments that the Manager considers useful or necessary to the conduct of the Company's operations or the implementation of the Manager's powers under this Agreement, including contracting with contractors, developers, consultants, accountants, legal counsel, other professional advisors and other agents and the payment of their expenses and compensation out of the Company's assets;

(vii) the distribution of Company cash or other Company assets in accordance with this Agreement;

(viii) the holding, managing, investing and reinvesting of cash and other cash equivalent assets of the Company;

(ix) the collection and receipt of revenues and income of the Company;

(x) the maintenance of such insurance policies for the benefit of the Company and the Members as it deems necessary or appropriate and the adjustment and settlement of any claims under any such insurance policies;

(xi) the formation of, or acquisition of an interest in, and the contribution of property to, any limited or general partnerships, joint ventures,

limited liability companies, corporations or other relationships that the Manager deems desirable (including, without limitation, the acquisition of interests in, and the contribution of funds or property to, or making of loans to, the Company's Subsidiaries or any other Person which is Controlled by the Company, or the incurrance of indebtedness on behalf of such Persons or the guarantee of the obligations of such Persons);

(xii) the control of any matters affecting the rights and obligations of the Company, including the settlement, compromise, submission to arbitration or any other form of dispute resolution or abandonment of any claim, cause of action, liability, debt or damages due or owing to or from the Company, the commencement or defense of suits, legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the representation of the Company in all suits or legal proceedings, administrative proceedings, arbitrations or other forms of dispute resolution, the incurring of legal expenses and the indemnification of any Person against liabilities and contingencies to the extent permitted by law;

(xiii) the exercise, directly or indirectly, through any attorney-in-fact acting under a general or limited power of attorney, of any right, including the right to vote, appurtenant to any Investments held by the Company;

(xiv) the exercise of any of the powers of the Manager enumerated in this Agreement on behalf of or in connection with any Subsidiaries or any other Person in which the Company has a direct or indirect interest, individually or jointly with any such Subsidiary or other Person;

(xv) the making, executing and delivering of any and all deeds, leases, notes, deeds to secure debt, mortgages, deeds of trust, security agreements, conveyances, contracts, guarantees, warranties, indemnities, waivers, releases or other legal instruments or agreements in writing necessary or appropriate in the judgment of the Manager for the accomplishment of any of the powers of the Manager enumerated in this Agreement;

(xvi) the amendment and restatement of **Exhibit A** to reflect accurately at all times the Commitments and Commitment Percentages of the Members as the same are adjusted;

(xvii) the indemnification of any Indemnitee against liabilities and contingencies to the extent provided in Section 6.08;

(xviii) the calling of Capital Contributions from the Members required by this Agreement;

(xix) the maintenance of cash reasonable reserves for operating expenses, capital expenditures, repairs, replacements, contingencies and related items in such amount as the Manager deems reasonably necessary or advisable.

(b) **Transaction of Business with Affiliate.** Any business the Manager chooses to conduct on behalf of the Company with any Affiliate must be commercially reasonable and on terms that would otherwise be arms-length to reflect the fair market value of the goods or services involved. The Manager shall provide all Members with a quarterly report of all transactions or other business between the Company and any of the Manager's Affiliates.

(c) **Concentration Limits.** The Manager shall invest at least fifty percent (50%) of the equity capital of the Company to make Investments in properties located within the municipal boundaries of the City of Chicago. Other Investments may be made in the communities described in the Private Placement Memorandum.

6.02 **Restrictions on the Manager's Authority.** The Manager may not (i) take any action in contravention of this Agreement, (ii) take any action that would make it impossible to carry on the ordinary business of the Company, except as otherwise provided in this Agreement; (iii) possess Company property, or assign any rights in specific Company property, for other than a Company purpose; (iv) lend money to, guarantee any debts or other obligations of, or give any security for the performance of any obligations of, the Manager, or any of the its Affiliates (other than Persons Controlled by the Company); (v) require the Members to contribute capital for the purpose of making any new Investment after the Investment Period Termination Date (notwithstanding the foregoing, Manager may reserve portions of unfunded Capital Commitments to be called after the Investment Period Termination Date for: (a) the consummation of agreements to acquire Investments that have not closed or been fully funded prior to the Investment Period Termination Date; (b) the payment of deferred consideration with respect to existing Investments as of the Investment Period Termination Date; and (c) the funding of costs or expenses to protect or enhance existing Investments owned or under contract as of the Investment Period Termination Date and other expenses of the Company with respect to such existing Investments as the Manager may reasonably determine to be necessary); or (vi) cause the Company to borrow money ~~for any purpose other than a Company purpose or borrow money for the Manager's own benefit~~ secured by a pledge, lien or security interest encumbering any of the Company's Investments for any purpose without the approval of the Investment Committee.

6.03 **Limitation on the Manager's Liability.** The Manager shall have no personal liability for the repayment of the Capital Contributions of any Member. With respect to the liabilities of the Company, whether for the purchase of Investments, professional and other services rendered to it, loans made to it by Members or others, injuries to persons or property, indemnity obligations under Section 6.08, contractual obligations, guaranties, endorsements or for other reasons similar or dissimilar to any of the foregoing, and without regard to the manner in which any liability of any nature may be incurred by the person to whom it may be owed, all such liabilities:

(a) shall be liabilities of the Company as an entity, and shall be paid or otherwise satisfied from the Company assets (and the Company shall sell or liquidate all assets necessary to satisfy such liabilities); and

(b) shall not in any event be payable in whole or in part by Manager or any Member or any Affiliate of Manager or any Member, or by any partner, director, officer, employee, agent or shareholder of Manager or any Member.

Under no circumstances shall this Section 6.03 be construed to release the Manager from liability to the Company and to the Members for liabilities arising as a result of fraud, gross negligence, willful misconduct, recklessness, bad faith, illegal acts, or a material breach of this Agreement by the Manager (including an act not first determined by the Manager, in good faith, to be in the best interests of the Company).

6.04 Removal or Resignation of Manager. The Manager may only be removed in accordance with the provisions of this Section 6.04.

(a) Removal for Cause. At any time for Cause, a Supermajority in Interest of the ~~Member~~Members may initiate a process by which the Manager will be replaced, by furnishing a written notice to all Members and to the Manager, stating the circumstance or circumstances alleged to constitute Cause and the signaling the Members' desire to invoke the provisions of this Section 6.04(a). Following the Manager's receipt of said notice, the Manager shall, within thirty (30) days following such notification, (i) remove and replace any Person responsible for any circumstance constituting Cause (the "**Affected Person**") and fully compensate the Company for any losses suffered by the Company as a consequence of the circumstances constituting Cause, or (ii) furnish a written explanation to the Members as to why such circumstance does not, in the judgment of the Manager, constitute Cause. If an Affected Person is not replaced by the Manager when Cause exists, the Manager shall be removed. If the Manager disputes that Cause exists, the matter shall be referred to binding arbitration to be conducted in accordance with the rules of the American Arbitration Association and the decision of the arbitrators shall be final and non-appealable. If Cause is determined to exist and any Affected Person responsible for any circumstance constituting Cause shall not have been replaced within said thirty (30) day period or the Manager shall not have compensated the Company for its losses, a Supermajority in Interest of the Members shall have the right to appoint, and thereafter to replace, the Manager.

(b) Effect on Funding of Commitments. If the Manager shall be removed, no Member shall be obligated to make additional Capital Contributions to the Company thereafter other than for Capital Contributions to fund (A) the acquisition of an Investment pursuant to a legally binding contract that the Company had entered prior to the delivery of the termination notice, (B) Company Expenses relating to existing Investments (including Investments described in the preceding clause (A)) or otherwise due and payable, and (C) any obligations of the Company in respect of any borrowings secured in whole or in part by the Members' Commitments, unless the Members

unanimously vote to rescind the restrictions on the obligations of all Members to make additional Capital Contributions pursuant to their Commitments.

(c) Restrictions on Resignation of Manager. The Manager shall not voluntarily resign as the manager of the Company at any time.

6.05 Meetings of Members.

(a) Annual Meeting. An annual meeting of the Members for the transaction of such business as may properly come before the Members shall be held on such date and at such time as the Manager shall specify in the notice of the meeting, which shall be delivered to each Member at least twenty (20) days prior to such meeting.

(b) Special Meeting. Special meetings of the Members may be called by the Manager or by a Majority in Interest of the Members. Any such meeting shall be held on such date and at such time as the Person calling such meeting shall specify in the notice of the meeting, which shall be delivered to each Member at least ten (10) days prior to such meeting. Only business within the purpose described in the notice for such meeting may be conducted at such meeting.

(c) Procedures for Meetings. Any meeting of the Members shall be held in Chicago, Illinois or in such other location in the State of Illinois as may be determined from time to time by the Manager. Attendance by a Person at such meeting by such Person's representative shall constitute a waiver of notice of such meeting, except where such Person attends the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. A Person may vote at such meeting by a written proxy executed by a duly authorized representative of such Person and delivered to the Manager. A proxy shall be revocable unless it is stated to be irrevocable. Any action required or permitted to be taken at such a meeting may be taken without a meeting and without a vote if a consent or, consents in writing, setting forth the action so taken, is signed by the requisite percentage of the requisite class of Members as specified in this Agreement with respect to the action so taken. In the event that the Manager shall request the consent or approval of the Members with respect to any matter (each a "**Consent Request**"), the Manager shall use its reasonable efforts to provide each Member with ten (10) days to consider such Consent Request prior to the date by which the Manager shall have requested a response from the Members, unless the Manager shall have reasonably determined that a more immediate response should be required due to the urgent nature of such Consent Request. Members may participate in and hold such meeting by means of telephone conference, video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting, except where a Person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

6.06 Management Fee.

(a) In consideration for performing the Manager's obligations under the Agreement, the Company shall pay to the Manager a management fee (the "**Management Fee**") in an amount equal to 2.0% per annum of the Aggregate Invested Capital. The Management Fee shall be paid monthly in arrears, calculated as of the last day of each month and payable within fifteen (15) days of the end of each month. Any change in Aggregate Invested Capital during the period for which the Management Fee is calculated shall be prorated for such period. The Management Fee shall be paid out of the Company's available operating cash or from Capital Contributions.

(b) All origination, commitment, administration, due diligence and other similar fees paid by borrower or sponsors to the Company in connection with the Investments will be paid to and retained by the Manager and will not be shared with the Company.

(c) The Company shall promptly reimburse the Manager for all Company Expenses incurred by the Manager relating to the investigation and monitoring of the Investments and the operation, management and administration of the Company and the Investments. Notwithstanding the foregoing, the Company shall not reimburse the Manager for rent or for salaries and benefits of the employees of Manager or other similar overhead expenses.

6.07 **Organizational Costs.** The Company shall promptly reimburse the Manager for the Organizational Costs incurred by the Manager or its Affiliates from time to time in an amount not to exceed \$250,000 in the aggregate. Such reimbursements for the Organizational Costs shall be made from the Company's available operating cash or from Capital Contributions.

6.08 **Liability for Acts and Omissions.**

(a) Except as described in Sections 6.08(b), neither the Manager, nor any Member, nor any member of the Investment Committee shall have any liability, responsibility or accountability in damages or otherwise to any other Member or the Company for, and the Company agrees to indemnify, pay, protect and hold harmless the Manager, the Members and each member of the Investment Committee from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, proceedings, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, all reasonable costs and expenses of defense, appeal and settlement of any and all suits, actions, or proceedings instituted against the Manager or the Company and each member of the Investment Committee), and all costs of investigation in connection therewith which may be imposed on, incurred by, or asserted against the Manager, the Members, any member of the Investment Committee or the Company in any way relating to or arising out of, or alleged to relate to or arise out of, any action or inaction on the part of the Company, on the part of the Manager as the manager of the Company, or on the part of ~~such~~ the Members or any member of the Investment Committee in its capacity as such. No settlement of any such suits shall be permitted unless the Company shall first receive an opinion of counsel (which counsel shall not be an Affiliate of the Manager and shall be reasonably acceptable to the

Investment Committee) to the effect that such settlement is in the best interests of the Company.

(b) The Manager, the Members or any member of the Investment Committee, as the case may be, shall be liable, responsible and accountable for and shall indemnify and hold the Company harmless against, and the Company shall not be liable to, and shall not be obligated to indemnify, such Person for any portion of, such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, proceedings, costs, expenses or disbursements which resulted from such Person's own fraud, gross negligence, willful misconduct, recklessness, bad faith, illegal acts, material breach of this Agreement or other breach of fiduciary duty (if any) to the Company or any Member (including an act not first determined by such Person, in good faith, to be in the best interests of the Company). An action of the Manager that improperly benefits the Manager shall constitute a material breach, regardless of intent, opinion of counsel or other adviser insofar as there is disagreement or dispute between the Manager and the Company, on the one hand, or the Members on the other hand; provided, however, that any such opinion shall be evidence of good faith.

(c) In any action, suit or proceeding against the Company, the Manager, the Members or any member of the Investment Committee relating to or arising, or alleged to relate or arise, out of any such action or non-action, the Manager, the Members and ~~such any~~ member of the Investment Committee shall have the right to jointly employ, at the expense of the Company, separate counsel of the Manager's ~~or~~ Member's or investment committee member's choice in such action, suit or proceeding; provided, however, that if retention of joint counsel by such indemnified persons would create a conflict of interest, each group of indemnified persons which would not cause such a conflict shall have the right to employ separate counsel at the expense of the Company; provided further that such counsel is acceptable to the Manager.

(d) The satisfaction of the obligations of the Company under this Section 6.08 shall be from and limited to the assets of the Company (excluding the unfunded Commitments of the Members) and no Member shall have any personal liability on account thereof.

(e) In any action, suit or proceeding involving a Member's failure to fund its Commitment, the Company shall furnish indemnification to the Manager, members of the Investment Committee, and the respective affiliates, officers, directors and employees of each of the foregoing (collectively, "**Indemnitees**") as to liabilities arising under federal and state securities laws unless the same arise as a result of a violation of such law by an Indemnitee. Anything contained herein to the contrary notwithstanding, the Indemnitees shall not be indemnified for any loss or damage incurred by them or any of them in connection with any lawsuit involving allegations that federal or state securities laws were violated by, such Indemnitee unless (i) (A) a court of competent jurisdiction approves a settlement of the claims, provided, however, that such approval shall not be necessary if the Manager with the concurrence of the Investment Committee reasonably believes that such settlement shall be in the Company's best interest, (B) there has been an

adjudication on the merits of each count involving securities law violations favorable to the particular Indemnitee, or (C) such claims have been dismissed with prejudice on the merits as to the particular Indemnitee by a court of competent jurisdiction, and (ii) such indemnification is specifically approved by a court of competent jurisdiction which shall have been advised as to the current position of the Securities and Exchange Commission regarding indemnification for violations of securities laws.

(f) The Company shall not incur the costs of that portion of any insurance, other than public liability insurance, that insures any Indemnitee for any liability as to which such person is prohibited from being indemnified under this Section 6.08, and if any additional incremental cost shall be required by any insurer of the Company to provide insurance covering the Manager for any liability of the Manager as to which the Manager is indemnified pursuant to this Section 6.08, the Company shall not purchase insurance for such liability without the prior approval of the Investment Committee.

(g) The provision of advances from Company funds to an Indemnitee for legal expenses and other costs incurred as a result of any legal action or proceeding is permissible if (i) such suit, action or proceeding relates to or arises out of, or is alleged to relate to or arise out of, any action or inaction on the part of the Indemnitee in the performance of its duties or provision of its services on behalf of the Company; and (ii) the Indemnitee undertakes to repay any funds advanced pursuant to this Section 6.08 in cases in which such Indemnitee would not be entitled to indemnification under this Section 6.08. Notwithstanding the foregoing, no advances from Company funds to an Indemnitee shall be permitted in connection with any legal action or proceeding brought by a Majority in Interest of the Members against the Manager unless the Manager prevails in such legal action or proceeding. If advances are permissible under this Section, the Indemnitee shall furnish the Company with an undertaking as set forth above and shall thereafter have the right to bill the Company for, or otherwise request the Company to pay, at any time and from time to time after such Indemnitee shall be obligated to make payment therefor, any and all amounts for which such Indemnitee believes in good faith that such Indemnitee is entitled to indemnification under this Section 6.08. The Company shall pay any and all such bills and honor any and all such requests for payment within 60 days after such bill or request is received by the Manager and the Company's rights to repayment of such amounts shall be secured by the Indemnitee's Interest, if any, or by such other adequate security as the Manager may determine. If a determination is made by a court of competent jurisdiction, the Investment Committee, or an independent legal counsel retained by the Investment Committee on behalf of the Company, that the Company is not obligated in respect of any amount paid by it to a particular Indemnitee, such Indemnitee shall refund such amount within 60 days of such determination, and if a determination is made that the Company is so obligated in respect to any amount not paid by the Company to a particular Indemnitee, the Company will pay such amount to such Indemnitee within 60 days of such determination.

(h) If indemnification is sought by any Indemnitee pursuant to this Agreement and such indemnification relates to a settlement or to a claim which is not successfully defended by the Indemnitee seeking indemnification, the Company shall not make any

payment pursuant to this Section to such Indemnitee unless those members of the Investment Committee who are neither Indemnitees seeking indemnification nor affiliated with the Manager or any such Indemnitee shall have determined that the indemnification standard set forth above has been met by such Indemnitee; provided, however, that if no members of the Investment Committee are eligible to make the foregoing determination or if the Investment Committee shall otherwise approve, such determination shall be made by independent legal counsel retained by the Investment Committee on behalf of the Company.

(i) The Manager may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, or other document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(j) The Manager may consult with legal counsel, accountants, appraisers, consultants, investment bankers and other advisers selected by it, and any act taken or omitted to be taken in reasonable reliance upon the opinion of such persons professional or expert competence shall be presumed to have been done or omitted to be done in good faith and not to constitute gross negligence or willful misconduct.

(k) The indemnification provided by this Section 6.08 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, as a matter of Law or otherwise, and shall continue as to any Indemnitee after such Indemnitee has ceased to have the status or responsibilities that initially entitled such Person to indemnification as an Indemnitee and shall inure to the benefit of the heirs, successors, assigns and administrators of the Indemnitee, but shall not be deemed to create any rights for the benefit of any other persons.

(l) No amendment, modification or repeal of this Section 6.08 or any provision hereof shall in any manner terminate, reduce or impair either the right of any past, present or future Indemnitee to be indemnified by the Company or the obligation of the Company to indemnify any such Indemnitee under and in accordance with the provisions of this Section 6.08 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may be asserted.

ARTICLE 7

TAXES

7.01 **Taxation as a Partnership.** The Company and all Members intend that the Company be treated as a partnership for U.S. federal income tax purposes. The Company and any Member shall take any action necessary to achieve this treatment and shall take no action inconsistent therewith. The Manager is hereby designated as the Tax Matters Representative.

7.02 **Tax Returns.** The Company shall prepare and timely file or provide all federal, state and local tax returns required to be filed or provided by the Company, including information returns required to be provided to the Members to enable them to prepare their tax returns, including specifically, but without limitation, Form K-1 and any successor form thereto. Each Member shall furnish to the Company all pertinent information in its possession relating to the Company's operations that is necessary to enable the Company's tax returns to be timely prepared and filed. The Company shall bear the costs of the preparation and filing of its returns.

7.03 **Tax Elections.** The Company shall make the following elections on the appropriate tax returns:

- (a) to adopt a taxable year-ending on December 31 of each year (the “**Fiscal Year**”);
- (b) to adopt the accrual method of accounting and to keep a set of the Company's books and records on the method used for income tax purposes; and
- (c) any other election the Manager may deem appropriate and in the best interests of the Members.

Neither the Company nor any Member may make an election for the Company to be taxed as a corporation or to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law and no provision of this Agreement shall be construed to sanction or approve such an election.

7.04 **Audit Procedures.** ~~The Tax Matters Representative shall~~ CIC is designated as the “partnership representative” under Code Section 6223, and in such capacity shall (i) represent the Company in any disputes, controversies or proceedings with the Internal Revenue Service or with any state, local, or non-U.S. taxing authority, and (ii) keep the Members informed of any proceedings or notices related to tax matters or any tax elections. The Tax Matters Representative shall be entitled to take such actions on behalf of the Company in any and all proceedings with the Internal Revenue Service and any other such taxing authority as it reasonably determines to be appropriate, subject to the approval of a Majority in Interest of the Members, and any such decision made by the Tax Matters Representative shall be binding on the Company and all Members. The Members agree to cooperate in good faith to timely provide information, make elections, and file amended tax returns, all as reasonably requested by the Tax Matters Representative. The Members acknowledge and agree that, to the extent possible, the Company will elect to push out of all partnership-level tax assessments to the Members. If the Company shall make any payments of tax assessments as a result of any dispute, controversy or proceeding, (i) the Company shall allocate any such assessment among the current and/or former Members of the Company for the "reviewed year" to which the assessment relates in a manner that reflects the current and/or former Members' respective interests in the Company for that reviewed year based on each such Member's share of such assessment as it would be if the Company amended the tax returns for such reviewed year and such Member incurred the assessment directly (using the tax rates reasonably determined by the Tax Matters Representative to be applicable) and (ii) each current and former Member to which this assessment relates shall pay to the Company such

Member's share of the assessed amounts, including such Member's share of any additional accrued interest assessed against the Company relating to such Member's share of the assessed amounts, upon thirty (30) calendar days written notice from the Tax Matters Representative requesting the payment. At the reasonable discretion of the Tax Matters Representative, with respect to current Members, the Company may alternatively allow some or all of a Member's obligation pursuant to the preceding sentence to be applied to and reduce the next distribution(s) otherwise payable to such Member under this Agreement provided that such application to and reduction of the distributions shall apply to all current Members having a share of the assessment, pro rata based on the Members' shares of the assessment. The provisions contained in this Section ~~7.04~~7.04, and each Member's respective obligations hereunder, shall survive the dissolution of the Company and the withdrawal of any Member or the transfer of any Member's interest in the Company.

7.05 **Withholding**. Notwithstanding any provision herein to the contrary, the Manager is authorized to take any and all actions that it determines to be necessary or appropriate to ensure that the Company satisfies any and all withholding and tax payment obligations under any federal, state or local law, including Sections 1441, 1445, and 1446 of the Code. Without limiting the generality of the foregoing, the Manager may withhold from any distribution the amount that it determines is required to be withheld from the amount otherwise distributable to any Member under this Agreement; provided, however, that such amount shall be deemed to have been distributed to such Member under Section 5.01 for all purposes of this Agreement. In addition, where necessary to effectuate the intention of this Agreement, the Manager may also treat amounts withheld by any Person from payments to the Company as received by the Company and distributed to one or more Members under Section 5.01 of this Agreement. In the event that the Manager withholds or pays tax in respect of any Member for any period in excess of the amount, if any, withheld from distributions to such Member for such period (or the Company should have withheld or paid tax in respect of any Member for any period in excess of the tax, if any, that it actually withheld or paid), such excess shall be a recourse loan from the Company to such Member, which shall be payable on demand of the Company and shall bear interest at the Default Rate if not paid within five (5) Business Days after delivery of such demand by the Company.

ARTICLE 8

BOOKS, RECORDS AND BANK ACCOUNTS

8.01 **Maintenance of Books**. The Manager shall keep or cause to be kept at the principal office of the Company complete and accurate books and records of the Company, supporting documentation of the transactions with respect to the conduct of the Company's business and the meetings of the Members. Any Member may inspect, copy and audit the books and records of the Company, at such Member's expense, at the Company's place of business, during normal business hours. The records shall include, but not be limited to, (i) an account of Invested Capital ("**Invested Capital Account**") for each Investment, which shall be established and maintained on the books and records of the Company throughout the full term of the Company; (ii) complete and accurate information regarding the state of the business and financial condition of the Company; (iii) a copy of the Certificate and this Agreement and all amendments

thereto; (iv) a current list of the names and last known business, residence, or mailing addresses of all Members (excluding Members who choose to keep such information confidential); (v) each Member's Units; and (vi) the Company's federal, state, and local tax returns for the Company's six (6) most recent tax years.

8.02 **Reports.**

(a) No later than ~~ninety (90)~~ one hundred twenty (120) days following the end of calendar year 2019 and each subsequent Fiscal Year during the term of the Company, the Manager shall cause each Member to be furnished with a balance sheet, income statement, statement of cash flows and statement of Members' capital. Each such report shall be audited by ~~a~~ Novogradac & Company LLP or another firm of independent certified public accountants selected by the Manager and approved by the Investment Committee. These financial statements shall be prepared in accordance with the income tax accrual basis of accounting, consistently applied (except as therein noted), and shall be accompanied by a report of the certified public accountants certifying the statements and stating that their examination was made in accordance with generally accepted auditing standards and, in their opinion, the financial statements fairly present the financial position, financial results of operations, and changes in Members' capital in accordance with the income tax accrual basis of accounting, consistently applied (except as therein noted).

(b) No later than forty-five (45) days following the end of each of the first three (3) fiscal quarters of the Company, the Manager shall cause each Member to be furnished with an unaudited balance sheet, income statement, statement of cash flows and statement of Members' capital. Each such report shall be prepared in accordance with the income tax accrual basis of accounting, consistently applied (except as therein noted). In addition, the Manager shall provide to each Member no later than forty-five (45) days after the end of each fiscal quarter of the Company, (i) a summary description of each investment made or Disposed of by the Company; and (ii) upon request by Member, a statement, since the preceding quarter, of the changes in the amounts of Capital Contributions made to the Company by the Member, distributions made by the Company to the Member, and the Member's Capital Account balance.

(c) Affiliate Transactions Report. During the term of this Agreement, the Manager shall deliver to the Members the Affiliate Transactions Report at the same time Manager delivers the annual and quarterly financial statements of the Company in accordance with Section 8.02 hereof.

(d) Affordability Reports. Each Investment's underlying real estate project(s) will be subject to recorded fifteen (15) year regulatory agreements mandating that at least 20% of the units therein will be "affordable" and thus designated for occupancy by and affordable to households at or below 50% of Area Medium Income ("AMI") for the Chicago metropolitan area. At the same time Manager delivers the annual financial statements of the Company in accordance with this Section 8.02, the Manager shall

[deliver to the Members a report of the rent and income monitoring for the Investments evidencing compliance with the affordability requirements.](#)

8.03 **Accounts.** The Manager shall establish, one or more separate bank and investment accounts and arrangements for the Company, which shall be maintained in the Company's name with financial institutions and firms that the Manager determines. The Manager shall not commingle funds and assets of the Manager or any of its Affiliates with funds and assets of the Company.

ARTICLE 9

DISSOLUTION, WINDING-UP AND LIQUIDATION

9.01 **Dissolution.**

(a) In the event of a Member's withdrawal from the Company or the admission of a new Member to the Company, the Company shall not dissolve or terminate but shall continue without interruption or a break in continuity. The Company, however, shall dissolve and its affairs shall be wound up, subject to Section 9.01(b) on the first to occur of the following events (each a “**Dissolution Event**”, any of the events described in clause (ii) or (iii) of this Section 9.01(a) being referred to as a “**Manager Dissolution Event**”):

(i) a written determination at any time by the Manager to terminate the Company together with the written consent of a Majority in Interest of the Members as to such termination decision;

(ii) the Withdrawal, expulsion, dissolution, removal or Bankruptcy of the Manager, or the occurrence of any other event that terminates the continued participation of the Manager in the Company under the Act;

(iii) the sale of all or substantially all of the Company's assets at any time following the Investment Period Termination Date; and

(iv) the Termination Date.

(b) If a Manager Dissolution Event shall occur, the Company shall not be dissolved, and the business of the Company shall be continued, if a Majority in Interest of the Members elects in writing within ninety (90) days thereafter to appoint, effective as of the date of the occurrence of the Manager Dissolution Event, a successor to act as manager of the Company (such agreement is referred to herein as a “**Continuation Election**”).

A successor Manager shall be appointed if the following terms and conditions are satisfied:

(i) the appointment of such Person as successor Manager shall have been consented to by a Majority in Interest of the Members, on such terms as such Majority in Interest of the Members may require; and

(ii) the Person shall have accepted and agreed to be bound by all the terms and provisions of this Agreement by executing a counterpart hereof and such other documents or instruments as may be required or appropriate.

Prior to any removal of the Manager, a Majority in Interest of the Members shall have the right to elect a successor Manager in order to facilitate the transition envisioned by this Section 9.01. Such Person shall have such rights and obligations under this Agreement as shall be agreed to by a Majority in Interest of the Members immediately prior, to the effective date of the removal of the Manager in accordance with the terms of this Agreement and satisfaction of the above terms and conditions. If a successor manager of the Company is approved pursuant to this Section 9.01, the Manager with respect to whom the Manager Dissolution Event occurred shall have no further obligation or liability to the Company pursuant to this Agreement in connection with any obligations or liabilities arising after the appointment of such successor, and all such future obligations and liabilities shall automatically cease and terminate and be of no further force or effect; provided, however, that nothing contained herein shall be deemed to relieve such Manager of any obligations or liabilities arising prior to such transfer or for any its obligations in its capacity as a Member of the Company.

(c) Upon the occurrence of a Manager Dissolution Event, the Manager shall have no power, authority or responsibility to bind or to make decisions concerning the Company, or to manage or control the affairs of the Company.

9.02 Winding-Up and Liquidation. If a Dissolution Event other than a Manager Dissolution Event shall occur, the Manager shall act as liquidator. If a Manager Dissolution Event shall occur, a Person approved by a Majority in Interest of the Members, shall act as liquidator. The Manager or other liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of winding up shall be borne as a Company expense. If the Manager is acting as liquidator, the Management Fee shall continue to accrue and be payable until said final distributions are made. Until final distribution, the Manager or other liquidator shall continue to manage the Company with all of the power and authority of the Manager. The steps to be accomplished by the Manager or other liquidator are as follows:

(a) As promptly as possible after dissolution and again after final winding up, a proper accounting shall be made by the Company's auditors of the Company's assets, liabilities, and operations through the last calendar day of the month in which the dissolution occurs or the final winding up is completed, as applicable.

(b) The Manager or other liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including all expenses incurred in winding up and any advances described in Section 4.03) or

otherwise make adequate provision for payment and discharge thereof (including the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the Manager or other liquidator may reasonably determine).

(c) The Manager or other liquidator shall have the authority to sell any or all Company assets, including to one or more Members, by either individual or portfolio sales; provided, however, that the sale of any Company assets to a Member shall require the ~~consent~~approval of the Investment Committee.

(d) With respect to each Company asset that is not sold and instead will be distributed in kind to one or more Members in accordance with Section 5.01(b), the fair market value of any assets which are distributed in kind shall either be determined by an appraiser or by an investment bank, selected by the Manager or other liquidator and approved by the Investment Committee. The determination of fair market value of assets to be distributed in kind, as determined by such appraiser or investment bank, shall be final and binding upon all Members. The Manager or other liquidator will instruct the appraiser or investment bank to specifically consider the illiquidity of any assets to be distributed in kind in determining the fair market value of such assets.

(e) During such winding up process, distributions of Distributable Cash shall continue to be made in accordance with this Agreement. In addition, if the dissolution occurs prior to the Commitment Termination Date, the Manager (or the liquidator, if a liquidator has been appointed) shall have the right to make capital calls on behalf of the Company pursuant to Section 4.05. The proceeds from the sale of the Company's assets and Investments to the extent available, shall be applied and distributed by the Company on or before the end of the taxable year of such dissolution or, if later, within ninety (90) days after such dissolution, in the following order of priority:

(i) First, to the payment of creditors of the Company, but excluding secured creditors whose obligations will be assumed or otherwise transferred on the liquidation of the Company's Investments or assets;

(ii) Second, to the reasonable expenses incurred in dissolution and termination;

(iii) Third, to the establishment of any reserves which the Manager or Liquidator deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company;

(iv) Fourth, in accordance with Section 9.02(g) below.

(f) The Members' Capital Accounts shall be adjusted to reflect (i) any realized gain or loss from each sale of assets pursuant to Section 9.02(c), and (ii) pursuant to Treas. Reg. §1.704-1(b)(2)(iv)(e), any unrealized income, gain, loss, and deduction inherent in each unsold property (that has not been reflected in the Capital Accounts previously) that would be allocated among the Members if there were a taxable

disposition of that property for its fair market value as determined pursuant to Section 9.02(d) (taking into account Code Section 7701(g)), and (iii) any Net Income or Net Loss or other items of income, gain, loss, deduction or credit for the year; and all such amounts shall be allocated to and among the Members and their Capital Accounts in accordance with the provisions of Article 5 (including Section 5.12, which authorizes the Manager to allocate amounts in any manner necessary to produce capital accounts for the Members so that the amounts distributed pursuant to this Section 9.02(f) will be in the amounts, sequence and priority set forth in Section 5.01(a)), applied as if all cash and other assets were distributed as Distributable Cash during the year pursuant to Section 5.01(a).

(g) By the end of the Company Fiscal Year during which the liquidation, as defined in Treas. Reg. §1.704-1(b)(2)(ii)(g), occurs (or, if later, within 90 days after the date of such liquidation), Company property shall be distributed among the Members in accordance with, and to the extent of, the positive balances in their respective Capital Accounts, as determined after taking into account all Capital Account adjustments made by reason of Section 9.02(f) for such liquidation Fiscal Year. All distributions in kind to the Members shall be made subject to the liability of each distributee for costs, expenses and liabilities theretofore incurred or for the payment of which the Company has committed prior to the date of termination. The distribution of cash or property to a Member in accordance with the provisions of this Section 9.02(g) constitutes a complete return to the Member of its Capital Contributions and a complete and final distribution to the Member and constitutes a compromise to which all Members have consented. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

(h) On completion of the distribution of Company assets as provided herein, the liquidator shall file a certificate of cancellation with the Secretary of State of Illinois, cancel any other filings made pursuant to Section 2.05, and take such other actions as may be necessary to terminate the existence of the Company. Upon the issuance of a certificate of cancellation by the Secretary of State of Illinois, the existence of the Company shall cease, except as may be otherwise provided by the Act or other applicable Law.

9.03 **No Restoration of Capital Accounts.** No Member shall be required to pay to the Company, to any other Member, or to any third party, any deficit balance that may exist from time to time, or upon liquidation, in any Capital Account maintained in respect of such Member for any purpose.

ARTICLE 10

INVESTMENT COMMITTEE

10.01 **Formation; Selection.** At all times, the Company shall have an investment committee (the “Investment Committee”) composed of one person appointed by each of the following (to the extent such Person desires to participate on the Investment Committee): ~~the Illinois Housing Development Authority, the~~ City of Chicago, ~~BenefitArc~~ Chicago, ~~LLC~~ and

each Private Investor that makes a Commitment of \$4,000,000 or more to the Company. IHDA shall have the right to appoint a member of the Investment Committee if IHDA enters into a refundable grant agreement with Government Investor on terms acceptable to CIC within six (6) months of the date hereof for so long as IHDA satisfies its obligations under such refundable grant agreement when due. The members of the Investment Committee shall not receive any compensation in connection with their membership on the Investment Committee; but shall be entitled to reimbursement of reasonable out-of-pocket expenses incurred in the performance of their duties. Any Investment Committee member that was appointed by a Defaulting Member may be removed by majority vote of the other Investment Committee members at any time. Notwithstanding anything to the contrary contained herein, the Member that appointed an Investment Committee member may remove and replace such person on the Investment Committee, at any time, without notice and with or without cause. Representatives of CIC may attend and participate in Investment Committee meetings; but will not have any right to vote on any matter requiring the approval of the Investment Committee. No Defaulting Member shall have the right to participate on the Investment Committee while the default remains outstanding.

10.02 **Approval of Acquisition of Investments.**

(a) The Manager shall not obligate the Company to acquire, restructure, dispose or make any material modification or grant any material waiver with respect to or in connection with any Investment without the approval of the Investment Committee. In addition, the Investment Committee will have final approval over any work-out, restructuring, foreclosure or disposition undertakings for any Investments in default or projected to experience default(s). In any case where an Investment is both in default and the senior lender with respect thereto is CIC or an affiliate of CIC, then either the Investment Committee or CIC shall have the right to require the Investment Committee to appoint a “special manager” to represent the Company with respect to the work-out, restructuring, foreclosure or disposition of such defaulted Investment. Any special manager may be, but shall not be required to be, a member of the Investment Committee, and shall be subject at all times to the direction and control of the Investment Committee. The Investment Committee shall have the right to approve any co-investment structures relating to the Investments including co-investments by any Members, provided that only those members of the Investment Committee representing Members not making a co-investment at the time such vote is taken shall be entitled to vote thereon. Investment Committee approval shall require the approval of at least a numerical majority of the members of the Investment Committee.

(b) Prior to requesting approval of an Investment, the Manager shall deliver to the Investment Committee members an investment package, which shall include the materials described in the Loan Policy Manual. The Manager use commercially reasonable efforts to observe and comply with the Loan Policy Manual in all material respects and shall not intentionally take any action that conflicts with any material provision of the Loan Policy Manual in any material respect. The Loan Policy Manual shall be revised or updated as Manager may determine to be appropriate, with the consent of the Investment Committee.

10.03 **Meeting of the Investment Committee.** A meeting of the Investment Committee shall be held at least once every other month. Meetings may also be called by the Manager or by the request of any member of the Investment Committee. The Manager shall deliver written notice to all Investment Committee members of regular and any special meetings at least five (5) Business Days in advance of such meetings.

10.04 **Action by the Investment Committee.** In all instances where an action is required by the Investment Committee, the Investment Committee shall act by affirmative vote of a numerical majority of ~~its members at a duly called meeting of~~ the Investment Committee members with each Person on the Investment Committee having one vote. Any action required or permitted to be taken at such a meeting may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by a numerical majority of the Investment Committee members. Notwithstanding anything to the contrary in this Agreement, only those members of the Investment Committee representing Non-Defaulting Members at the time such vote is taken shall be entitled to vote. Investment Committee members may participate in and hold such meetings by means of telephone conference, video conference or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting, except where a member participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

10.05 **Indemnification and Exculpation.** No member of the Investment Committee (nor the Member such member represents nor any Affiliates of such member or Member) shall have any liability, responsibility or accountability in damages or otherwise to any other Member or the Company for any action or non-action in such capacity in accordance with Section 6.09. The Company shall indemnify each Investment Committee member (and the Member such member represents and the Affiliate of such member or Member) in accordance with Section 6.08. The Investment Committee members shall have no fiduciary duty or responsibilities whatsoever to the Company or to the Members. In voting on any matters, the Investment Committee members shall be free to vote solely in the interest of the Member they represent without regard for possible conflicts of interest with other Members. Each Member, by executing this Agreement, hereby expressly waives any and all claims against the members of the Investment Committee (and the Member such member represents, and any Affiliate of such member or Member).

10.06 **Information.** The Manager shall provide to the Investment Committee from time to time, upon request, copies of internal appraisals, financial plans, projections, pro forma liquidation projections, investment recommendations, summaries of proposed investments, including information used to determine the fair market value of the Investments, and similar information and data that may be reasonably necessary to enable the Investment Committee to be, on a continuing basis, fully informed about the Company's activities.

ARTICLE 11

GENERAL PROVISIONS

11.01 **Notices.** All notices, requests or consents under this Agreement (including, without limitation, notices to members of the Investment Committee) shall be (a) in writing, (b) delivered to the recipient in person, by courier or mail or by electronic mail, facsimile or similar transmission, (c) if to a Member, delivered to such Member at the applicable address on **Exhibit A** or such other address as that Member may specify by notice to the Manager and the other Members, and (d) effective (i) on delivery, if personally delivered, (ii) upon the sending party's confirmation of transmission, if sent by electronic mail or facsimile transmission, (iii) one Business Day after depositing such notice with a reputable overnight courier service and specifying the overnight delivery of said notice, or (iv) five (5) Business Days after the mailing of such notice by first class U.S. mail or by certified or registered mail. In case of delivery by electronic mail, facsimile or similar transmission, the party delivering such notice shall promptly deliver confirmation of such notice by courier or overnight mail. Whenever any notice is required to be given by applicable law, the Certificate or this Agreement, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

11.02 **Entire Agreement.** This Agreement and any side letters constitute the entire agreement of the Members relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

11.03 **Effect of Waiver or Consent.** A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company.

11.04 **Amendments of Certificate and Agreement.**

(a) Either the Manager or any Member may propose any amendment to this Agreement by giving written notice of the proposed amendment to all Members. Each Member shall have thirty (30) days in which to give written notice to the Manager of their approval or disapproval of the form and substance of any proposed amendment. A failure of any Member to respond in writing within such time shall be deemed to constitute such Member's disapproval of the form and substance of any such proposed amendment, but only to the extent of its voting interest. To be effective, a proposed amendment must receive the written consent of the Manager and a Majority in Interest of the Members. Notwithstanding the above, the Manager shall have the right to unilaterally (i) amend this Agreement to make changes of a ministerial nature which do not materially and adversely affect the rights of the Members, (ii) delete or add any provision of this Agreement required to be so deleted or added by a state securities commission or similar agency, which addition or deletion is deemed by such commission or agency to be for the benefit or protection of the Members, and (iii) amend **Exhibit A** as required in connection with-

~~the admission of the Additional Members and~~ adjustments of Commitments and Commitment Percentages in accordance with this Agreement. The Manager shall furnish each Member with a copy of each amendment to this Agreement promptly after its effectiveness.

(b) Notwithstanding the provisions of the above paragraph, (i) the written consent of all Members shall be required in order to alter the purposes of the Company or amend this Section 11.04, (ii) the written consent of each affected Member shall be required in order to increase the liability or Commitment of any Member, or change, except to the extent permitted or required pursuant to Section 4.05, or otherwise under this Agreement, the rights and interests of a Member in the cash distributions pursuant to Sections 5.01, or change the voting rights of a Member or the rights of a Member respecting reconstitution or liquidation of the Company, (iii) the written consent of a Supermajority in Interest of the Members shall be required to amend any provision requiring the consent of such supermajority, and (iv) the written consent of a Majority in Interest of the Members shall be required to amend any provision requiring the consent of such majority. If the requisite consent of Members is obtained for any of the above changes, an amendment to this Agreement shall be executed and furnished to all Members promptly after its effectiveness.

11.05 **Binding Effect.** Subject to the restrictions on Dispositions set forth in this Agreement, this Agreement is binding on and inure to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

11.06 **Governing Law; Severability.** THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF ILLINOIS (EXCLUDING ITS CONFLICT-OF-LAWS RULES). If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by applicable law.

11.07 **Further Assurances.** In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions, provided that this Section 11.07 shall not be interpreted to limit in any way, and no Member will be deemed hereby to waive, any of the rights granted to or reserved for such Member pursuant to this Agreement or any other agreements entered into in connection herewith or contemplated hereby.

11.08 **Counterparts.** This Agreement may be executed in any number of counterparts, all of which shall constitute the same instrument.

11.09 **Facsimile Signatures.** Facsimile or other electronic signatures of the Manager and the Members shall have the same legal effect as an original signature.

11.10 **Computation of Time Periods.** If any period of days referred to in this Agreement shall end on a day that is not a Business Day, then the expiration of such period shall be automatically extended until the first succeeding Business Day.

11.11 **Title to Company Property.** All assets owned by the Company, whether real, tangible or intangible, shall be deemed to be owned by the Company as an entity, and no Member individually shall be deemed to have any ownership interest in such assets. Each Member hereby irrevocably waives any right that it may have to maintain any action for partition with respect to any assets of the Company.

11.12 **No Third-Party Beneficiary.** Except for Section 6.08, no provision of this Agreement is intended for the benefit of or shall confer any right or claim upon or otherwise inure to the benefit of any creditor of the Company or any other third party having dealings with the Company.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first set forth above.

MANAGER:

**COMMUNITY INVESTMENT
CORPORATION,**
an Illinois not for profit corporation

By: _____
Name: _____
Its: _____

**SIGNATURE PAGE
TO
LIMITED LIABILITY COMPANY AGREEMENT
OF
CIC MEZZANINE INVESTORS, L.L.C.,
an Illinois limited liability company**

MEMBER:

_____,

a _____

By: _____

Name: _____

Its: _____

EXHIBIT A

**~~ORIGINAL~~ MEMBERS, ADDRESSES,
COMMITMENTS & COMMITMENT PERCENTAGES**

~~CIC MEZZANINE INVESTORS, L.L.C.~~

**ROUND 1 (as of [_____])
As of the Closing Date**

Names and Addresses	A, B, C or D	Accepted Commitments	% in Company (rounded)
Manager:			
Community Investment Corporation 222 South Riverside Plaza, Suite 380 Chicago, IL 60606 Attn: Stacie Young	n/a	n/a	n/a
Private Investors:			
	A	\$[_____]]	[_____] %
CIBC Bank USA 120 South LaSalle Street Chicago, Illinois 60603 Attn: Tony R. Hernandez	A	\$5,000,000	13.7%
BMO Harris, N.A. 111 West Monroe Street Chicago, Illinois 60603 Attn: Carl Jenkins	A	\$5,000,000	13.7%
MB Financial Bank N.A. 800 West Madison Street Chicago, IL 60607 Attn: Karen Thomas, SVP Community Development	A	\$4,000,000	11%

<u>Names and Addresses</u>	<u>A, B, C or D</u>	<u>Accepted Commitments</u>	<u>% in Company (rounded)</u>
The Northern Trust Company 50 South La Salle Street Chicago, IL 60690 Attn: Ed Wood	A	\$4,000,000	11%
TCF Bank 200 Lake Street East Wayzata, MN 55391	A	\$2,000,000	5.5%
Byline Bank 180 North LaSalle Street 3rd Floor Chicago, IL 60601 Attn: Joanne Campanile, Nicole Bowen, Ana Garcia	A	\$1,000,000	2.7%
<i>Social Impact Investors:</i>			
[BenefitArc Chicago], LLC 140 South Dearborn Street Chicago, IL 60603 Attn: Joshua J. Mintz jmintz@macfound.org	B	\$[]5,000,000	[]13.7%
<i>Government Investor:</i>			
CIC Government Investor, LLC 222 South Riverside Plaza, Suite 380 Chicago, Illinois 60606 Attn: Stacie Young	C	\$[]7,500,000 (subject to reduction)	[]20.5%
<i>CIC:</i>			
Community Investment Corporation 222 South Riverside Plaza, Suite 380 Chicago, Illinois 60606 Attn: Stacie Young	D	\$[]3,000,000	[]8.2%
<i>TOTAL COMMITMENTS</i>		\$[]36,500,000	100%

EXHIBIT B

SPECIFIED INVESTMENTS

EXHIBIT B

LOAN POLICY MANUAL



Loan Policy Manual
OPPORTUNITY INVESTMENT FUND



Last Revised: November 2, 2018

Approved by Investment Committee:

Approved by CIC Board:

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EXHIBIT B OIF Regulatory Agreement

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Mission and General Statements

Community Investment Corporation (CIC) is a 501(c)(3) not-for-profit corporation, whose mission is to be a leading force in neighborhood revitalization through innovative financing, programs, and policy leadership. In pursuit of this mission and broader community development goals, CIC has become the leading lender for the acquisition, rehabilitation, and preservation of affordable rental housing throughout the Chicago metropolitan area.

CIC remains firmly committed to undertaking lending that maximizes the achievement of its corporate mission which may create greater risks than usual real estate lending in which commercial lenders engage, while still maintaining sound underwriting.

Opportunity Investment Fund Overview

In line with CIC's overall mission, the Opportunity Investment Fund (OIF)¹ aims to encourage the creation and preservation of affordable rental units in strong and strengthening markets, responding to research that demonstrates the positive life outcomes (including health, education, income, personal safety, and life expectancy) for households living in high opportunity areas. The OIF will provide low-cost mezzanine debt to experienced non-profit and for-profit developers to acquire or refinance occupied buildings in strong markets with low or no rehab needs. In exchange, borrowers will agree to keep at least 20% of their units affordable to and occupied by households at or below at 50% of Area Median Income for at least 15 years. The purpose of the Fund is to provide an innovative vehicle to further community development by creating and preserving units affordable to low income households in strong communities.

Loan Application Process

All borrowers will complete the OIF Application and submit it to CIC, the managing member of the OIF (Manager).

When CIC is providing the first mortgage, the OIF loan proposal will be submitted to the CIC Multifamily Loan Committee along with the first mortgage loan proposal. Once the first mortgage loan proposal is approved, the OIF proposal will then be submitted to the next

¹ The Opportunity Investment Fund is also known as CIC Mezzanine Investors LLC, an Illinois Limited Liability Company.

meeting of the OIF Investment Committee for approval specifically regarding OIF participation in the transaction.

When an outside lender is providing the first mortgage, the borrower will follow the outside lender's standard procedures in addition to completing and submitting an OIF application to CIC. The borrower will disclose their intention to secure OIF financing to the outside lender and request that CIC be added as an additional recipient of required environmental and appraisal documents, as well as any additional documents provided to the lender by the borrower. After approval of the senior debt, the OIF loan proposal will be submitted for consideration by the OIF Investment Committee for approval of the OIF subordinate loan.

Loan Approval

The Investment Committee shall consist of one representative each of IHDA, the City of Chicago, Arc Chicago, LLC and each Private Lender Investor whose commitment to OIF is equal to at least \$4 million. An investor may decline to have a voting representative on the Investment Committee by notice to the CIC. Investment Committee members are listed in attached **Exhibit A**. The Fund shall not make any investment unless a majority of the Investment Committee members approves such Investment. Notwithstanding the foregoing, (i) IHDA shall have the right to appoint a member of the Investment Committee only if IHDA enters into a refundable grant agreement with Government Investor on terms acceptable to CIC within six (6) months of the closing date for the Fund and for so long as IHDA satisfies its obligations under such refundable grant agreement when due, and (ii) no Member may participate on the Investment Committee if such Member is in default under the Fund agreement.

As Manager, CIC shall have the sole and exclusive right to submit loan proposals to the Investment Committee. CIC will present loan proposals that in its determination have met the Opportunity Investment Fund General Criteria and policies as set from time to time by the Investment Committee. It shall be the exclusive prerogative of the OIF Investment Committee to set the objectives, policies, and eligibility criteria under which proposals for loans will be submitted for consideration to the Investment Committee.

After a loan proposal has been submitted by CIC, the Investment Committee shall determine whether or not the loan meets the underwriting criteria of the Opportunity Investment Fund. The Investment Committee shall give due consideration to CIC's underwriting of the loan evidenced in the submission of the loan proposal to the Investment Committee. The Investment Committee shall consider the security provided by the borrower and the likelihood of repayment on terms sufficient to repay the Opportunity Investment Fund. The committee shall consider criteria such as loan to value ratios, loan to cost ratios, borrower's equity, debt service coverage, financial feasibility of the project, a guarantor's financial strength, and the borrower's financial strength, management capabilities and prior experience. The Investment

Committee shall approve or disapprove loan proposals based upon such underwriting criteria. The Investment Committee can approve exceptions to underwriting criteria when, in its collective judgment, the result will still be a sound loan.

Opportunity Investment Fund
GENERAL CRITERIA

As Manager, CIC will present loans that meet the following General Criteria.

Standard Loans of the Opportunity Investment Fund:

1. Properties must be in a location considered a strengthening or strong market, as guided by Opportunity Investment Fund maps (see Appendix). Properties outside of map areas will be considered on a case by case basis.
2. The premises must be in one or more buildings that are no less than six (6) units which are used for primarily residential rental use. The building(s) shall not be owner-occupied and not used as a principal residence of the borrower, except as may be allowed by the Investment Committee on a case by case basis.
3. The loan shall be a permanent term loan.
4. The loans may be secured by a second mortgage or an assignment of partnership interest or other security recommended by the Investment Committee.
5. The combined debt service coverage ratio of the first mortgage and OIF mezzanine debt must be at least 1.1x.

INITIAL TERM SHEET

<u>Term</u>	<u>10 years</u>
<u>Amortization</u>	<u>Interest Only</u>
<u>Loan to Value</u>	<u>Overall 90% Maximum</u>
<u>Debt Coverage</u>	<u>Overall 1.1x Minimum</u>
<u>Minimum Number of Units</u>	<u>6</u>
<u>Prepayment</u>	<u>No Penalty</u>
<u>Recourse</u>	<u>Full</u>
<u>Guarantees</u>	<u>Yes</u>

The Investment Committee can approve exceptions to these underwriting criteria when, in its collective judgement, the result will still be a sound loan.

The Investment Committee shall also monitor the status of all loans and provide to CIC its recommendation as to actions which CIC should consider as to specific loans which are delinquent or in default, or absent the recommended action, are reasonably expected by the Investment Committee to go into default.

The Investment Committee may adopt administrative procedures which govern its agenda, time, and place for meetings. Such procedures shall be conducive to the Investment Committee's fulfilling its responsibilities set forth herein. The Investment Committee will request of CIC any information needed to carry out its responsibilities. Any and all action taken by the Investment Committee shall be by a majority vote of those members of the Investment Committee eligible to vote with one vote assigned to each member of the committee.

Loan Assumptions

All loans will contain a "due on sale" clause. Assumptions may be considered at the discretion of CIC. Assumption of loans is allowed where a formal and complete application has been received and the Investment Committee has approved the underwriting. The loan terms may be modified in a manner which is beneficial to the investors. No new funds will be disbursed in a loan assumption unless specifically authorized by the Investment Committee.

Appraisal Requirements

In cases when the borrower has a first mortgage with CIC, an independent appraisal of value performed by a qualified, licensed appraiser will be required for all OIF applications as outlined in the CIC Multifamily Loan Policy.

In cases when the borrower has a first mortgage from an outside lender or a lender that has an intercreditor agreement with CIC, CIC will defer to the appraisal requirements of the first mortgage lender. With the assistance of the borrower, CIC will request a copy of all appraisal documents provided to the first mortgage lender.

Environmental Policy

In cases when the borrower has a first mortgage with CIC, environmental assessment requirements follow those outlined in the CIC Multifamily Loan Policy.

In cases when the borrower has a first mortgage from an outside lender or a lender that has an intercreditor agreement with CIC, CIC will defer to the environmental assessment requirements

of the first mortgage lender. With the assistance of the borrower, CIC will request a copy of all environmental assessment documents provided to the first mortgage lender.

Borrower and Loan Limits

No single loan may exceed the greater of \$3 million, or 10% of the fund. The Investment Committee may make exceptions based on the strength of the borrower or other factors as appropriate on a case by case basis.

Multiple loans to single borrower may be approved as long as the outstanding balances in total do not exceed the greater of \$6 million, or 20% of the Fund. The Investment Committee may make exceptions based on the strength of the borrower or other factors as appropriate on a case by case basis.

The definition of a single borrower includes any entity under the control of the same person or group.

Recourse/Non-Recourse Financing

The preference is for loans to have 100% joint and several recourse to all persons with an ownership interest in the property securing the loan. This usually takes the form of a personal guarantee.

The Investment Committee may approve non-recourse financing when, in the opinion of the Investment Committee, it is appropriate.

The Investment Committee may recommend non-recourse financing be made available when:

- 1) the applicant is a substantial developer, that is an established organization or individual with a very good track record and a strong financial statement;
- 2) the project proposed has a well-funded equity to cost ratio in the range of at least 25% -30%;
- 3) the loan to appraised value does not exceed 70 – 75%

This recommendation is not intended to limit non-recourse financing to only these specific situations nor to reduce the discretion which currently rests with the Investment Committee, but rather to give some specific guidelines as to the type of loans which could be non-recourse. Other circumstances, such as an especially low loan to value ratio, would also merit consideration for non-recourse financing, as would ownership by a not-for-profit entity.

Pricing and Fees

INTEREST RATES

Interest rates on OIF loans are expected to range from 7.5% and 10% per annum, fixed rate over the term of the loan, subject to change via the approval of CIC and the Investment Committee. The Investment Committee will approve the specific interest rate for each loan. In general the lowest interest rates will be given to projects with the strongest collateral and security. Exceptions to the General Criteria may result in interest rate increases.

FEES

All fees are determined by CIC. The current fee structure outlined below is subject to change at management discretion at any time.

	<u>CIC First Mortgage</u>	<u>OIF</u>
<u>Application</u>	<u>\$300</u>	<u>\$300</u>
<u>Origination²</u>	<u>1-2%, combined \$5,000 minimum</u>	<u>1-2% combined \$5,000 minimum</u>
<u>Appraisal</u>	<u>Cost</u>	<u>Cost</u>
<u>Environmental</u>	<u>Cost</u>	<u>Cost</u>
<u>Legal</u>	<u>Included in Origination</u>	<u>Cost</u>

2. One half of fee is due at acceptance of commitment; balance due at closing.

Collection Process

Procedures when a borrower fails to make full payment by the due date:

10 Days Delinquent

- A preprinted notice from the loan servicing system, showing past due amount and late charge is sent to borrower.

25 – 29 Days Delinquent

- Contact Borrower by phone and make arrangements for past due payment.

30 Days Delinquent

- If no contact or arrangement has been made –a letter is sent requesting Borrower to contact CIC to discuss delinquency and make payment arrangements.

45 – 60 Days Delinquent

- If no payment arrangement has been made, a 30 day demand letter is sent.
- If there is no response to demand letter, foreclosure is instituted after expiration date as indicated in the demand letter.

Contact with borrower is documented through written notes that are maintained with the collection staff during the delinquency period. When the delinquency is resolved, the notes are placed in the CIC loan file. All delinquent loans (30, 60, 90 days, workouts, foreclosures, REO) are reviewed individually by the Investment Committee each month.

DELINQUENT LOANS

- In the case of default and when CIC is both the first mortgage lender and OIF lender, the Investment Committee or CIC are authorized to request a third party manager where appropriate.
- When CIC files foreclosure against a delinquent loan, staff will perform a preliminary analysis of value. A copy of the analysis will be placed in both the foreclosure file and the loan file.
- Upon appointment of a receiver, which will give CIC full access to the building and a valid rent roll, CIC's construction department will inspect the property and provide Servicing with a condition report and the estimated cost of repairs needed, if any. A copy of this report will be placed in both the foreclosure file and the loan file.
- An appraisal will be ordered at time of judgment. If the construction review has been completed, this will be provided to the appraiser. A copy of the completed appraisal will be placed in both the foreclosure file and the loan file.
- After the construction inspection, CIC will enter loss projections onto the loan delinquency report that is provided to investors and update these projections on a monthly basis. The appraised value provided by the outside appraiser will be entered onto the delinquency report as soon as it is available.

Annual Loan Review Process

ANNUAL REPORTS

Annual reports will be required from each borrower. Each year in April, annual reporting forms will be sent to the contact person(s) on each loan. All reports shall include:

- borrower's and guarantor's financial statements (personal or corporate)
- annual tax returns (Schedule E)
- income and expense statements for the subject property
- current rent roll for the subject property
- compliance data regarding affordability requirement

All reports shall be certified by the borrower as being true and correct. When received, the data is analyzed by CIC servicing staff and entered into the CIC database. Additional or more frequent reports may be requested by CIC where appropriate.

PROPERTY INSPECTION

An exterior inspection of every property in CIC's portfolio is performed each year by CIC Construction staff. Properties are rated 1-poor through 5-excellent in 13 specific categories and overall. Picture(s) are included with each inspection. Estimates of actual occupancy are included. Any areas of deficiency are reviewed by the Construction Department and followed up in writing by loan servicing staff.

Affordability Monitoring and Compliance

Borrowers must comply with the affordability requirements as outlined in the OIF Regulatory Agreement (**Exhibit B**).

The owner shall obtain from each prospective low income household prior to admission to the property written verification of income that shows compliance with the affordability requirements. The owner and head of household shall complete **Tenant Certification of Income Form (Exhibit C)** upon admission, and for each year of tenancy for annual reporting. The owner shall retain supporting documentation.

The owner shall also complete the **Owner Record Keeping Certification Form (Exhibit D)** which certifies that the owner acquired and retained written verification of income for all households living in affordable units.

The owner shall submit to CIC by December 1st of each year:

- Tenant Certification of Income Forms for each household in an affordable unit for the previous year
- Owner Recordkeeping Certification Form

APPENDIX

EXHIBIT A

Opportunity Investment Fund
INVESTMENT COMMITTEE MEMBERS

Private Lender Investors

Social Impact investors

City of Chicago

Illinois Housing Development Authority

EXHIBIT B

Opportunity Investment Fund
REGULATORY AGREEMENT

EXHIBIT C

Opportunity Investment Fund
TENANT CERTIFICATION OF INCOME FORM

OIF Loan Number _____ Initial Lease-up Yearly
Recertification _____
To be completed by CIC *To be completed by owner/agent*

I. Development Data

Property Address _____

Unit Number _____ # of Bedrooms _____

II. Income Eligibility

People in Household _____ Total Annual Household Income _____

Number should include everyone living in the unit, including children *If the income verification table is used, Add columns (A), (B), (C), and (D).*
See reverse for detail on what is considered as Total Annual Household Income.

III. Rent Data

Total Rent _____ Tenant Subsidy Type: *(if applicable)* _____
(if applicable) No subsidy
Project-Based Voucher _____
Rental Assistance Portion _____ Housing Choice (Section 8) _____
(if applicable)
Voucher _____
Tenant Utility Allowance _____ Other _____
(if applicable)

IV. Head of Household Certification & Signature

The information on this form will be used to determine income eligibility. I have provided acceptable verification of current anticipated annual income. I agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I agree to provide upon request source documents evidencing the income and other information disclosed above. I consent and authorize the disclosure of such information and

any such source documents to the Community Investment Corporation, the Capital Magnet Fund and any agent acting on their behalf. I understand that the submission of this information is one of the requirements for tenancy and does not constitute an approval of my application, or my acceptance as a tenant.

Under penalties of perjury, I certify that the information presented in this Certification is true and accurate to the best of my knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information provided in Section II may result in the termination of the lease agreement.

Printed Name Signature Date

V. Owner/Representative Certification & Signature

Based on the representations herein and upon the proofs and documentation required to be retained by the owner, the individual(s) residing in the unit named in Part I. of this Tenant Income Certification is/are eligible under the provisions of the Capital Magnet Fund, Community Investment Corporation's Opportunity Investment Fund, and the Land Use Restriction Agreement (if applicable) to live in a unit in this Project.

Printed Name Company Name

Signature Contact Information Date

For the purposes of this program, Total Annual Household Income from all sources is defined as:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from the operation of a business or profession;
3. Interest, dividends, and other net income of any kind from real or personal property;
4. The full amount of regular payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount;
5. Payments such as unemployment and disability compensation, worker's compensation and severance pay;
6. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments qualify as assistance under the TANF program definition at 45 CFR 260.31; and are not otherwise excluded;
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts; received from organizations or from persons not residing in the dwelling; or
8. All regular pay, special pay and allowances of a member of the Armed Forces.

The following are NOT considered as Household Income and should NOT be included in Part II:

1. Income from employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

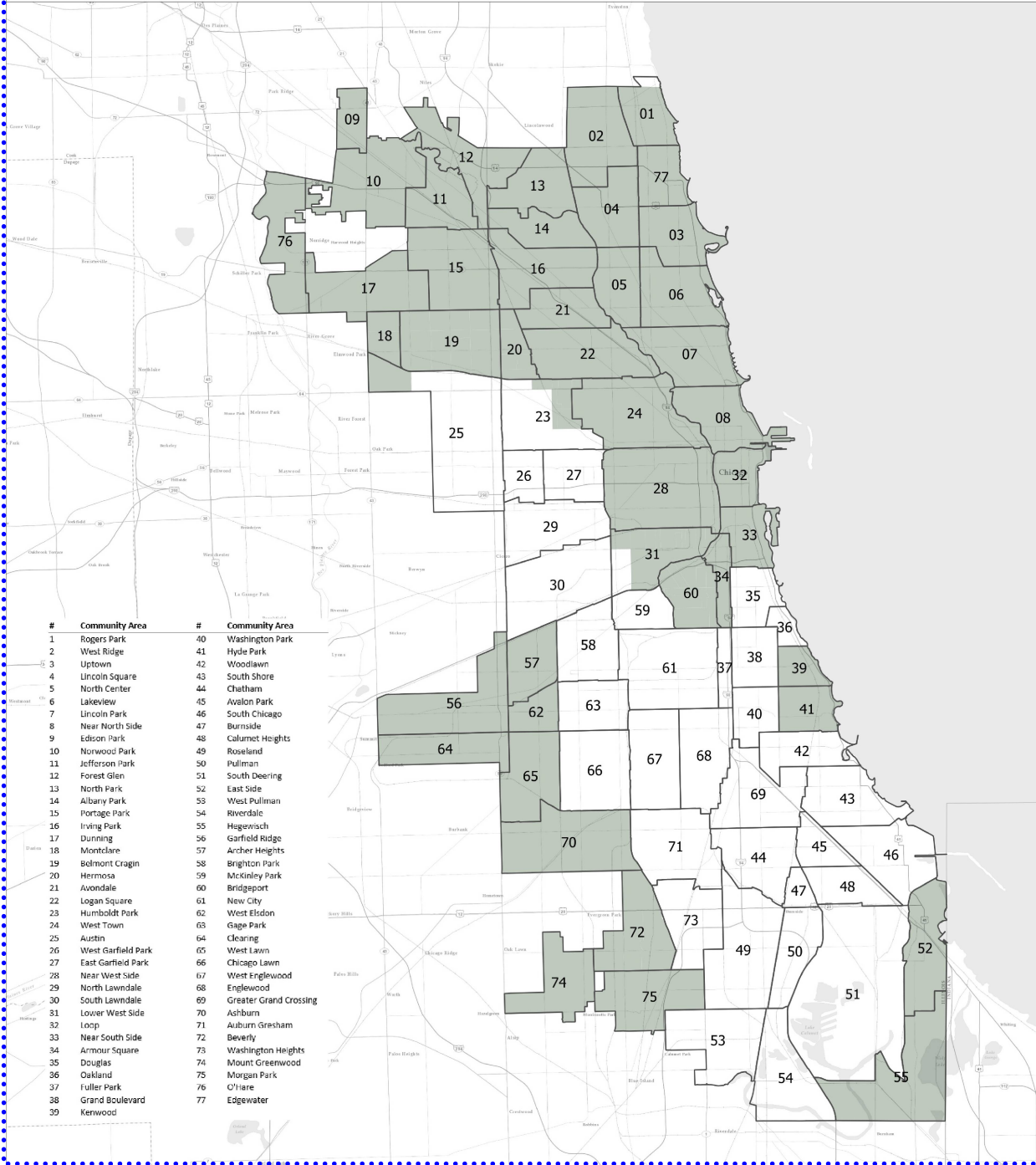
5. Income of a non-family member live-in aide;
6. The full amount of student financial assistance paid directly to the student or to the educational institution;
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
8. Amounts received under training programs funded by HUD;
9. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
10. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
11. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government);
12. Temporary, nonrecurring or sporadic income (including gifts);
13. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
14. Adoption assistance payments in excess of \$480 per adopted child;
15. Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
16. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home.

EXHIBIT D

Opportunity Investment Fund
OWNER RECORDKEEPING CERTIFICATION FORM

EXHIBIT E

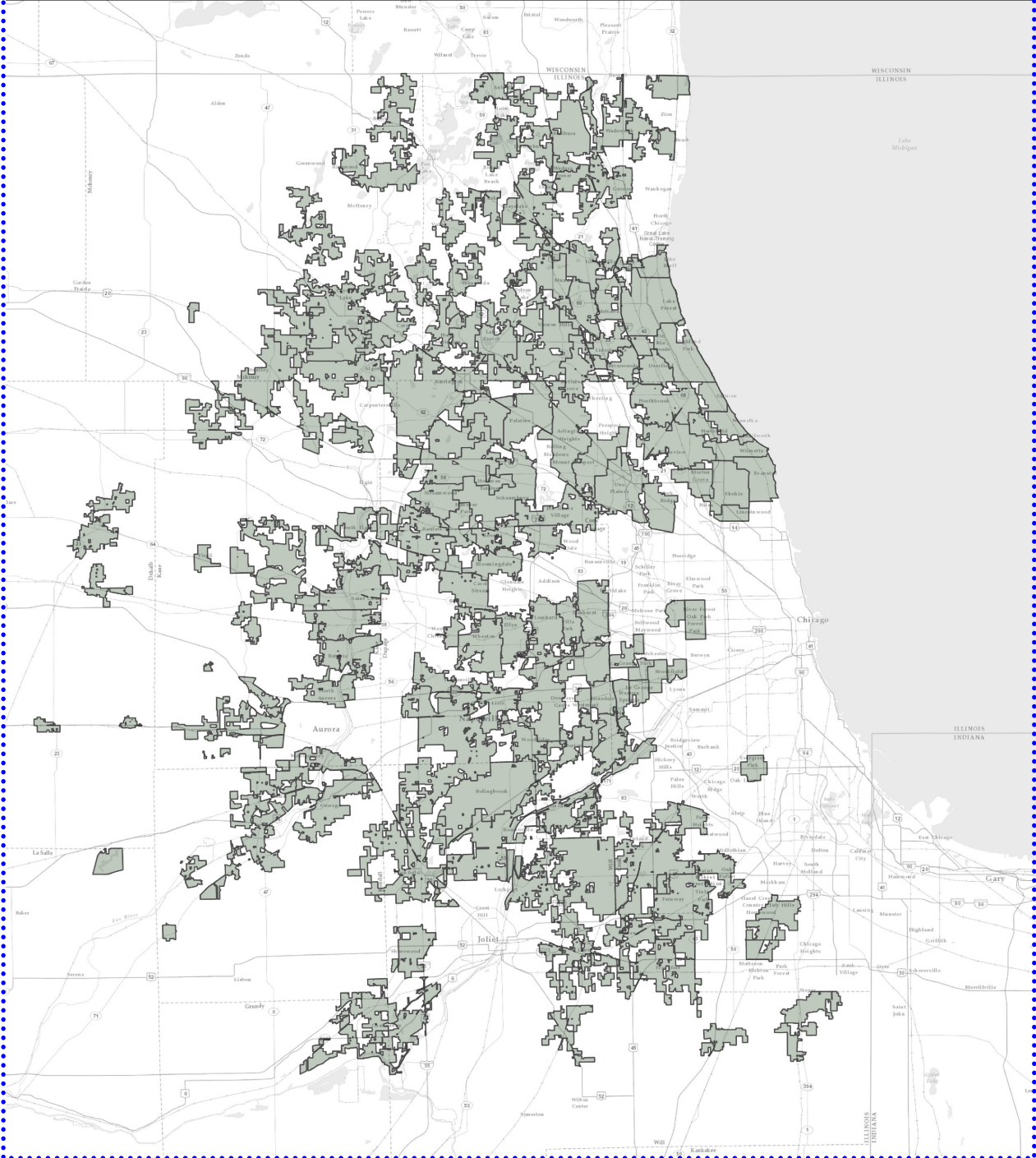
Opportunity Investment Fund: City of Chicago Target Areas



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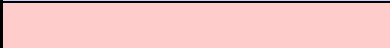
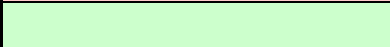
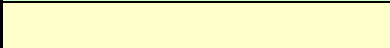

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Opportunity Investment Fund: Chicago Metro Area Target Areas



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