OPERATING AGREEMENT
NATIONAL CITY IMPACT FUND, LLC
A California Limited Liability Company

This Operating Agreement (the "Agreement") of National City Impact Fund, LLC (the "Company") is entered into and shall be effective as of _____, ____, 2020 by and among the signatories to this Agreement (collectively, the "Members").

ARTICLE I

Definitions

Unless the context clearly indicates otherwise, capitalized words and phrases used in this Agreement shall have the meanings set forth below (such meanings to be equally applicable to both singular and plural forms and to masculine, feminine and neuter genders of the terms defined).

1.1 "Act" shall mean the Beverly-Killea Limited Liability Company Act, codified in California Corporations Code, Section 17000 and following, as the same may be amended from time to time (or any corresponding provisions of succeeding law).

1.2 "Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year or other period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations; and

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

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

1.3 "Adjusted Capital Contribution" shall mean, as of any day, a Member's Capital Contribution adjusted as follows:

(a) Increased by the amount of any Company liabilities which, in connection with distributions pursuant to Sections 5.2(a) and 10.2(b)(iv), are assumed by such Member or are secured by any Company Property distributed to such Member;

(b) Increased by any amounts actually paid by such Member to any Company lender pursuant to the terms of any Assumption Agreement; and

(c) Reduced by the amount of cash and the Gross Asset Value of any Company Property distributed to such Member pursuant to Sections 5.2(a) and 10.2(b)(iv) and the amount of any liabilities of such Member assumed by the Company or which are secured by any property contributed by such Member to the Company. If all or a portion of an Interest is transferred by a Member in accordance with the terms of this Agreement, the transferee shall succeed to the Adjusted Capital Contribution of the transferor to the extent it relates to the transferred Interest.

1.4 "Affiliate" shall mean, with respect to any Person, (a) any Person directly or indirectly controlling, controlled by or under common control with such Person, (b) any Person owning or controlling ten percent (10%) or more of the outstanding voting interests of such Person, (c) any officer, director, employee, agent or general partner of such Person, or (d) any Person who is an officer, director,

employee, agent, general partner, trustee, or holder of ten percent (10%) or more of the voting interests of any Person described in clauses (a) through (c) of this sentence. For purposes of this definition, the term "controls," "is controlled by," or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

1.5 "Agreement" or "Operating Agreement" shall mean this Agreement, as amended, modified or supplemented from time to time.

1.6 "Assumption Agreement" shall mean any agreement among the Company, any of the Members, and any Person to whom the Company is indebted pursuant to a loan agreement, any seller financing with respect to an installment sale, a reimbursement agreement, or any other arrangement (collectively referred to as a "loan" for purposes of this Agreement) pursuant to which any Member expressly assumes any personal liability with respect to such loan. The amount of any such loan shall be treated as assumed by the Members for all purposes under this Agreement in the proportions set forth in such Assumption Agreement and their respective amounts so assumed shall be credited to their respective Capital Accounts. To the extent such loan is repaid by the Company, the Members' Capital Accounts shall be debited with their respective shares of such repayments. To the extent such loan is repaid by some or all of the Members from their own funds, there shall be no adjustments to their Capital Accounts.

1.7 "Bankruptcy" shall mean the institution of any proceedings under federal or state laws for relief of debtors, including filing of a voluntary or involuntary petition in bankruptcy or the obtaining of an order for relief, or the assignment of the Person's property for the benefit of creditors, or the appointment of a receiver, trustee or a conservator of any substantial portion of the Person's assets or the seizure by a sheriff, receiver, trustee or conservator of any substantial portion of the Person's assets, and the failure, in the case of any of these events, to obtain the dismissal of the proceeding or removal of the conservator, receiver or trustee within sixty (60) days of the event.

1.8 "Capital Account" shall mean, with respect to any Member, the Capital Account maintained for such Member in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited such Member's Capital Contributions, such Member's distributive share of Profits and any items in the nature of income or gain that are specially allocated to such Member pursuant to Section 4.3 or 4.4 hereof, and the amount of any Company liabilities which are assumed by such Member or which are secured by any Company Property distributed to such Member.

(b) To each Member's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Company Property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses and any items in the nature of expenses or losses which are specially allocated to such Member pursuant to Section 4.3 or 4.4 hereof, and the amount of any liabilities of such Member which are assumed by the Company or which are secured by any property contributed by such Member to the Company.

(c) In the event all or a portion of an Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Interest.

(d) In determining the amount of any liability for purposes of Sections 1.3(a), 1.3(c), 1.8(a) and 1.8(b) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Treasury Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Treasury Regulations, and shall be

interpreted and applied in a manner consistent with such Treasury Regulations. In the event the Manager shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any of the Members) are computed in order to comply with such Treasury Regulations, the Manager may make such modification, provided that it is not likely to have a material effect on the amounts distributed to any Member pursuant to Article X hereof upon the dissolution of the Company. The Manager also shall (a) make any adjustments that are necessary or appropriate to maintain equality between the Capital Accounts of the Members and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes, in accordance with Section 1.704-1(b)(2)(iv)(*g*) of the Treasury Regulations, and (b) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Section 1.704-1(b) of the Treasury Regulations.

1.9 "Capital Contribution" shall mean, with respect to any Member, the aggregate amount of money and the initial Gross Asset Value of any property (other than money) contributed by such Member to the capital of the Company. The principal amount of a promissory note which is not readily traded on an established securities market and which is contributed to the Company by the maker of the note (or a Person related to the maker of the note within the meaning of Section 1.704-1(b)(2)(ii)(*c*) of the Treasury Regulations) shall not be included in the Capital Account of any Member until the Company makes a taxable disposition of the note or until (and to the extent) principal payments are made on the note, all in accordance with Section 1.704-1(b)(2)(iv)(*d*)(*2*) of the Treasury Regulations.

1.10 "Capital Members" shall mean all Members other than the Inside Members.

1.11 "Articles" shall mean Articles of Organization pursuant to the Act, and any amendment required thereto.

1.12 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

1.13 "Company" shall mean the National City Impact Fund, LLC.

1.14 "Company Minimum Gain" shall have the meaning set forth in Sections 1.704-2(b)(2) and 1.704-2(d) of the Treasury Regulations.

1.15 "Company Property" shall mean all real and personal property acquired by the Company and any improvements thereto, and shall include both tangible and intangible property. The sole real property asset of the Company shall be the Real Property.

1.16 "Depreciation" shall mean, for each fiscal year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such fiscal year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such fiscal year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted tax basis for federal income tax purposes of an asset at the beginning of such fiscal year or other period is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Manager.

1.17 "Dissolving Event" shall mean those certain events described in Section 10.1 hereof, of which the earliest to occur will cause the dissolution of the Company.

1.18 "Gross Asset Value" shall mean, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(a) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and the Manager;

(b) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Manager, as of the following times: (i) the acquisition of an additional Interest by any new or existing Member in exchange for more than a *de minimis* Capital Contribution; (ii) the distribution by the Company to a Member of more than a *de minimis* amount of Company Property as consideration for an Interest; and (iii) the liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(*g*) of the Treasury Regulations; provided, however, that adjustments pursuant to clauses (i) and (ii) above shall be made only if the Manager reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(c) The Gross Asset Value of any Company asset distributed to any Member shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the Member and the Manager, provided that, if the Member is a Manager, the determination of the fair market value of the distributed asset shall be determined by appraisal;

(d) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(*m*) of the Treasury Regulations and Sections 1.37(f) and 4.3(g) hereof; provided however, that Gross Asset Values shall not be adjusted pursuant to this paragraph (d) to the extent the Manager determines that an adjustment pursuant to paragraph (b) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this paragraph (d); and

(e) If the Gross Asset Value of an asset has been determined or adjusted pursuant to paragraphs (a), (b), or (d) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

1.19 "Family Member" shall mean a Member's spouse, lineal ancestor or lineal descendant, and a spouse of a Member's lineal descendant. Ancestors and descendants shall include natural or adoptive ancestors and descendants.

1.20 "Incapacity" shall mean, as to any Person, the Bankruptcy, death, adjudication of incompetence, dissolution or termination, as the case may be, of such Person.

1.21 "Inside Member(s)" shall mean Cyrus Rapiñan or Emilia Rapiñan or the Company's Managing Partner/s and/or General Partners.

1.22 "Interest" or "Company Interest" shall mean a membership interest in the Company including any and all benefits to which the holder of such an Interest may be entitled as provided in this Agreement, together with all obligations of such Person to comply with the terms and provisions of this Agreement.

1.23 "Issuance Items" shall have the meaning set forth in Section 4.3(h) hereof.

1.23.1 "Lockup Period" means the 18-month period immediately following an investment in any Unit during which a Member may not request a Redemption of that Unit.

1.24 "Manager" shall mean Cyrus Capital LLC.

1.25 "Member" shall mean any Person (a) whose name is set forth on Appendix A, attached hereto and made a part hereof, or who has been admitted as a substituted Member pursuant to the terms of this Agreement, and (b) who holds an Interest.

1.26 "Member Nonrecourse Debt" shall have the meaning set forth in Section 1.704-2(b)(4) of the Treasury Regulations.

1.27 "Member Nonrecourse Debt Minimum Gain" shall mean an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Treasury Regulations.

1.28 "Member Nonrecourse Deductions" shall have the meaning set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Treasury Regulations.

1.29 "Net Cash From Operations" shall mean the gross cash proceeds from Company operations (including sales and dispositions in the ordinary course of business) less the portion thereof used to pay or establish reserves for all Company expenses, debt payments, capital improvements, replacements, and contingencies, all as determined by the Manager. "Net Cash From Operations" shall not be reduced by depreciation, amortization, cost recovery deductions, or similar allowances, but shall be increased by any reductions of reserves previously established by the Manager.

1.30 "Net Cash From Sales or Refinancings" shall mean the net cash proceeds from all sales and other dispositions (other than in the ordinary course of business) and all refinancings of Company Property, less any portion thereof used to establish reserves, all as determined by the Manager. "Net Cash from Sales or Refinancings" shall include all principal and interest payments with respect to any note or other obligation received by the Company in connection with sales and other dispositions (other than in the ordinary course of business) of Company Property. Net Cash From Sales or Refinancings is also referred to as "Capital Transactions".

1.31 "Nonrecourse Deductions" shall have the meaning set forth in Section 1.704-2(b)(1) of the Treasury Regulations.

1.32 "Nonrecourse Liability" shall have the meaning set forth in Section 1.752-1(a)(2) of the Treasury Regulations.

1.33 "Percentage Interest" shall mean the ratio between the Interest of a Member and the total, outstanding Interests of all the Members of the Company holding Interests. Initially, each Member's proportionate Interest shall be the Percentage Interest set forth opposite such Member's name on Appendix A, attached hereto and made a part hereof. Unless agreed by all of the Members and approved by the Manager, no adjustment to the Percentage Interest of any Member shall be made except as a result of a Transfer of a Member's Interest or Acceptance of a new Member permitted under Article IX hereof.

1.34 "Person" shall mean any individual, partnership, corporation, limited liability company, trust or other entity.

1.35 "Priority Return" shall mean a sum equal to seven percent (7%) per annum, determined on the basis of a year of 365 days as the case may be, for the actual number of days in the period for which the Priority Return is being determined, cumulative annually, of the average quarterly balance of the aggregate Adjusted Capital Contributions of the Capital Members from time to time during the period to which the Priority Return relates, commencing on the date the Capital Members first contribute capital to the Company.

1.36 "Profits" and "Losses" shall mean, for each fiscal year or other period, an amount equal to the Company's taxable income or loss for such fiscal year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code 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 Profits or Losses pursuant to this Section shall be added to such taxable income or loss;

(b) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Code Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(*i*) of the Treasury Regulations, and not otherwise taken into account in computing Profits or Losses pursuant to this Section, shall be subtracted from such taxable income or loss;

(c) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 1.18(b) or Section 1.18(c) hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;

(d) Gain or loss resulting from any disposition of Company Property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted basis of such property for federal income tax purposes differs from its Gross Asset Value;

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

(f) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required pursuant to Section 1.704-1(b)(2)(iv)(*m*)(*4*) of the Treasury Regulations to be taken into account in determining Capital Accounts as a result of a distribution other than in complete liquidation of a Member's Interest, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Profits or Losses; and

(g) Notwithstanding any other provision of this Section, any items, which are specially allocated pursuant to Section 4.3 or 4.4 hereof shall not be taken into account in computing Profits or Losses. The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Sections 4.3 and 4.4 hereof shall be determined by applying rules analogous to those set forth in paragraphs (a) through (f) above.

1.37 "Real Property" shall mean the property or properties acquired by the Company.

1.37.1 "Redemption" means the Company's paying of cash to a Member at the then current Unit Price in exchange for that Member's Units. There are significant restrictions on Redemption as more fully described in this Operating Agreement.

1.38 "Regulatory Allocations" shall have the meaning set forth in Section 4.4 hereof.

1.39 Intentionally Omitted.

1.40 "SEC" shall mean the Securities and Exchange Commission.

1.41 "Securities Act" shall mean the Securities Act of 1933, as amended.

1.42 "Securities Law" shall mean the California Corporate Securities Law of 1968, as amended.

1.43 "Syndication Expenses" shall mean all expenditures classified as syndication expenses pursuant to Section 1.709-2(b) of the Treasury Regulations. Syndication Expenses shall be taken into account under this Agreement at the time such expenditures would be taken into account under the Company's method of accounting if they were deductible expenses.

1.44 "Tax Matters Member" shall have the meaning set forth in Section 6.8 hereof.

1.45 "Transfer" shall mean, as a noun, any sale, assignment, transfer, mortgage, pledge, involuntary transfer, transfer by operation of law, or other disposition of all or any part of an Interest; and, as a verb, shall mean voluntarily or involuntarily to transfer, assign, sell, pledge, hypothecate, or otherwise dispose of all or any part of an Interest.

1.46 "Treasury Regulations" shall mean the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

1.47 "Unreturned Capital Contribution" means all Capital Contribution made by a Member less any returned capital.

ARTICLE II

The Company

2.1 Formation. The Members hereby authorize the formation of the Company as a California Limited Liability Company pursuant to the provisions of the Act to be effective upon the filing of the Articles with the California Secretary of State.

2.2 Name. The name under which the Company is to be conducted is "National City Impact Fund, LLC".

2.3 Purpose. The sole purpose of the Company is to acquire, improve, lease, operate, and hold the Real Property located at 921, 925, 929, 999 National City Boulevard, National City, California ("Property") for investment and development and to engage in any and all activities related or incidental thereto

2.4 Place of Business. The principal place of business of the Company shall be 10717 Camino Ruiz Suite 246, San Diego, CA 92126, or shall be at such other place or places as the Manager from time to time may determine.

2.5 Term of the Company. The Company shall commence as of the date the Articles is filed in the office of the California Secretary of State and shall continue until terminated as a result of the dissolution and winding up of the Company in accordance with Article IX hereof.

2.6 Title to Property. The Property shall be owned by the Company as an entity and no Member shall have any ownership interest in such property in its individual name or right, and each Member's interest in the Company shall be personal property for all purposes. Except as otherwise provided in this Agreement, the Company shall hold the Property in the name of the Company and not in the name of any Member.

2.7 Filing of Articles. The Manager shall cause the Articles to be prepared and filed in the office of the California Secretary of State. The Manager shall take any and all other actions reasonably necessary to perfect and maintain the status of the Company under the laws of California. The Manager shall cause amendments to the Articles to be filed whenever required by the Act. The Manager shall cause a certified copy of the Articles and any amendments thereto to be recorded in the office of the County Recorder of each county in which the Company owns real property.

2.8 Fictitious Business Name Statement. If required by Division 7, Part 3, Chapter 5 of the California Business and Professions Code, as amended, the Manager shall cause an appropriate fictitious business name statement to be filed and published in the manner prescribed therein.

2.9 Agent for Service of Process. The agent for service of process shall be that Person reflected in the Articles as filed with the California Secretary of State. The Manager may, from time to time, change the agent for service of process through appropriate filings with the Secretary of State.

ARTICLE III

Capital

3.1 Initial Capital Contributions. Upon execution of this Agreement, each Member shall transfer and assign to the Company the money or other property described opposite his or her name on Appendix A attached hereto as his or her initial Capital Contribution. These assets shall constitute the

original capital of the Company. The Members agree that the initial Gross Asset Value of the property other than money contributed by the Members is as set forth on said Appendix A.

3.2 Additional Capital Contributions.

(a) If additional funds are required by the Company to carry on its business affairs, including the payment of debt service, meet redemption request by other Members, taxes or essential maintenance costs for the Company Property, or if additional funds are required for any other purpose reasonably deemed necessary and appropriate by the Manager, the Manager shall endeavor to secure additional capital first through Company borrowings, including refinancing of the Company Property or Member loans pursuant to Section 3.3 hereof. If the Manager is unable to secure such additional capital through Company borrowings, the Manager may issue a written demand to the Members for additional Capital Contributions. Such additional Capital Contributions shall be payable in proportion to the Percentage Interests of the Members.

(b) If any Member fails to make any such additional Capital Contribution within Ten (10) days of written demand from the Manager, the Manager shall give the paid up Members (those Members that have paid the additional Capital Contributions pursuant to the demand) written notice of the deficit Capital Contribution of the Non-Participating Member (the Member failing to pay the additional Capital Contribution). Any paid up Member desirous of contributing all or a portion of the Non-Participating Member's deficit Capital Contribution shall notify the Manager of such paid up Member's intention within ten (10) days of receipt of the notice of deficit. If more than one paid up Member desires to pay the deficit Capital Contribution, the deficit Capital Contribution shall be paid by the willing paid up Members in proportion to their respective Percentage Interests, or at Manager discretion to pay the deficit for his own account. The deficit Capital Contribution must be paid by the paid up Members within Ten (10) days of receipt of the notice of deficit.

(c) Upon the payment of any Non-Participating Member's deficit Capital Contribution by a paid up Member, the Percentage Interest of the Non-Participating Member shall be reduced, and the Percentage Interest of the contributing paid up Member shall be correspondingly increased, by the dilution percentage calculated accordingly. If the deficit Capital Contribution is paid by more than one paid up Member, the Percentage Interests of the contributing paid up Members shall be so increased in proportion to their respective payments of the deficit Capital Contribution. Such change in Percentage Interest shall be effective as of the date of written demand by the Manager for additional Capital Contributions.

3.3 Member Loans to Company. If the Company has insufficient funds with which to carry on its business affairs, then, in lieu of borrowing from third parties or selling assets to provide required funds, the Company may, but shall not be required to, borrow such funds from one or more of the Members (including the Manager, if the Manager is also a Member) as may be designated by the Manager and consented to by such lending Member(s); provided that the terms of such borrowing shall be no less favorable to the Company than terms available to the Company for similar borrowing from commercial lending institutions. In the discretion of the Manager, such Member loan may be reflected as a book entry on the Company books or evidenced by a promissory note in a form approved by the Manager. In addition, a Member loan may be secured by a deed of trust or other lien on any Company Property. A Member loan shall not entitle the lending Member to an increase in his or her Capital Account or an increase in his or her share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

3.4 Return of Capital Contribution. Except as otherwise specifically provided herein, no Member shall have the right to demand or to receive the return of all or any part of such Member's Capital Contribution or Capital Account without the express written consent of the Manager or the Manager's approval of the return of capital through the Company's redemption plan. Manager's consent is subject to the commitments and financial liquidity of the Company. No Manager shall have any personal liability

for the repayment of any Capital Contribution of any Member. The right of a Member to receive the fair value of his Company Interest upon withdrawal as provided in Section 15664 of the Act is hereby waived.

(a) Redemption Plan and Redemption Request. In order to provide our Members with some limited liquidity, the Company adopted a redemption plan to enable Members to redeem their Units in limited circumstances. Members desiring to request redemption of their Units must do so of their own volition and not at our behest, invitation or encouragement. Our role in effectuating redemptions under the redemption plan will solely by ministerial. While Members should view this investment as long-term, the Company have adopted a redemption plan whereby, when the construction of the project is at least 90% completed, an investor has the opportunity to obtain liquidity. Our Manager has designed our redemption plan with a view towards providing investors with an initial period with which to decide whether a long-term investment in our Company is right for them. In addition, despite the illiquid nature of the assets expected to be held by our Company, our Manager believes it is best to provide the opportunity for ongoing liquidity in the event Members need it. Pursuant to our redemption plan, a Member may only (a) have one outstanding redemption request at any given time and (b) request that we redeem up to the lesser of 10 units or $50,000 per each redemption request. In addition, the redemption plan is subject to certain liquidity limitations, which may fluctuate depending on the liquidity of the real estate assets held by the Company or the Company's cash position.

The calculation of the redemption price will depend, in part, on whether a Member requests redemption in the Construction and Development Period or the Post Construction Period. During the Construction and Development Period, the per unit redemption price will be equal to the purchase price of the units being redeemed reduced by (i) the aggregate sum of distributions paid with respect to such units, rounded down to the nearest cent and (ii) the aggregate sum of distributions, if any, declared but unpaid on the units subject to the redemption request. In other words, a Member would receive back their original investment amount, from the redemption price paid, prior distributions received and distributions that have been declared (and that will be received when paid), but would not receive any amounts in excess of their original investment amount. During the Post Construction Period, the per unit redemption price will be calculated based on a declining discount to the per unit price for our units in effect at the time of the redemption request, and rounded down to the nearest cent. In addition, the redemption plan is subject to certain liquidity limitations, which may fluctuate depending on the liquidity of the real estate assets held by the Company. Members must observe a minimum sixty (60) day waiting period following a redemption request before such request will be honored, whether a redemption request is deemed to be in the Construction and Development Period or the Post Construction Period will be determined as of the date the redemption request is made. Redemption of units may only be requested at any time outside of the Lockup Period and upon written request to the Company and must be delivered to the Manager. Members may withdraw their redemption request at any time prior to the redemption date. We cannot guarantee that the Company's liquidity will be sufficient to accommodate all requests made through the redemption plan in any given time period. In the event our Manager determines, in its sole discretion, that we do not have sufficient funds available to redeem all of the units for which redemption requests have been submitted during any given month, such pending requests will be honored on a pro-rata basis, if at all. In the event that not all redemptions are being honored in a given time period allowed within the redemption plan, the redemption requests not fully honored will have the full or remaining amount of such redemption requests considered on the next liquidity in which redemptions can be honored. Accordingly, all unsatisfied redemption requests will be treated as requests for redemption on the next date on which redemptions are being

honored, with redemptions being processed pro-rata, if at all. If funds available for the redemption plan are not sufficient to accommodate all redemption requests on such future redemption date, units will be redeemed on a pro-rata basis, if at all. We intend to limit Members to one (1) redemption request outstanding at any given time, meaning that, if a Member desires to request more than one redemption, such Member must first withdraw the first redemption request, which may affect whether the request is considered in the "Construction and Development Period" or "Post-Construction Period." In addition, our Manager may, in its sole discretion, amend, suspend, or terminate the redemption plan at any time without prior notice, including to protect our operations and the Company investment, to prevent an undue burden on our liquidity or for any other reason. However, in the event that we amend, suspend or terminate our redemption plan, we will file an offering circular supplement and/or Form 1-U, as appropriate, and post such information on the Company's website to disclose such amendment. Our Manager may also, in its sole discretion, decline any particular redemption request if it believes such action is necessary to preserve our Company objectives. Therefore, you may not have the opportunity to make a redemption request prior to any potential termination of our redemption plan.

3.5 Limited Liability. Except as otherwise provided by this Agreement or by an Assumption Agreement, no Member shall be liable for the debts, liabilities, contracts or any other obligations of the Company. Except as otherwise provided by this Agreement or the Act, a Member shall be obligated only to make his Capital Contribution and shall not be required to lend any funds or to make any additional contributions to the Company after his Capital Contribution has been paid.

ARTICLE IV

Allocations and Distribution of Cash from Operations

4.1 Net Cash from Operations. After giving effect to the special allocations set forth in Sections 4.2 and 4.4 hereof, Profits for any fiscal year or other period shall be allocated to the Members in the following order and priority:

(a) First, to all Members in proportion to their respective Percentage Interests, until each such Member has received a cumulative return of Seven (7%) Percent based on such Member's Unreturned Capital Contribution;

(b) Second, to the Manager to the extent of the Syndication and Organizational Expenses, if any, for prior fiscal years (unless the Manager elects to continue to defer such distributions);

(c) Thereafter, subject to the retention of reasonable working capital reserves determined by and in the sole discretion of the Manager, Eighty (80%) Percent to the Members in proportion to their respective Percentage Interests and Twenty (20%) Percent to the Manager.

4.2 Losses.

(a) After giving effect to the special allocations set forth in Sections 4.3 and 4.4 hereof, Losses for any fiscal year or other period shall be allocated to the Members in the following order and priority:

(i) To and among the Members pro-rata according to their respective Percentage Interests; however;

(ii) Losses allocated pursuant to 4.2(a)(i) hereof shall not exceed the maximum amount of losses that can be so allocated without causing any Member to have an Adjusted Capital Account Deficit at the end of any fiscal year.

4.3 Net Cash from Sales or Refinancing. In the event that the Company generates distributable cash from a sale or refinancing, the Company will, subject to the retention of reasonable working capital reserves determined by and in the sole discretion of the Manager, make distributions as follows:

(a) To the extent that the Capital Transaction is arranged by the Manager, three (3%) percent of the sale or refinancing proceeds will be distributed to the Manager; then

(b) To satisfy any unpaid or deferred distributions; then

(c) To satisfy any unpaid reimbursements due to the Company; then

(d) One Hundred Percent (100%) to the Members in proportion to their Unreturned Capital Contributions until such Capital Contributions are returned; and thereafter

(e) Forty (40%) Percent to the Manager and Sixty (60%) Percent to the Members in proportion to their Percentage Interests.

4.4 Special Allocations. The following special allocations shall be made in the following order:

(a) Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(f) of the Treasury Regulations, and notwithstanding any other provision of this Article, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Company Minimum Gain determined in accordance with Section 1.704-2(g) of the Treasury Regulations. Allocations pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Treasury Regulations. This paragraph (a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Treasury Regulations and shall be interpreted consistently therewith.

(b) Member Minimum Gain Chargeback. Except as otherwise provided in Section 1.704-2(i)(4) of the Treasury Regulations, and notwithstanding any other provision of this Article, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Treasury Regulations, shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(4) of the Treasury Regulations. Allocations pursuant to the preceding sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Treasury Regulations. This paragraph (b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Treasury Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocations, or distributions described in subparagraphs (*4*), (*5*), or (*6*) of Section 1.704-1(b)(2)(ii)(*d*) of the Treasury Regulations, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this paragraph (c) shall be made only if and to the extent that such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article have been tentatively made as if this paragraph (c) were not in the Agreement.

(d) Gross Income Allocation. If any Member has a deficit Capital Account at the end of any Company fiscal year which 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 Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations, 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 paragraph (d) 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 have been made as if paragraph (c) above and this paragraph (d) were not in the Agreement.

(e) Nonrecourse Deductions. Nonrecourse Deductions for any fiscal year or other period shall be specially allocated to the Members in proportion to their Adjusted Capital Contributions.

(f) Member Nonrecourse Deductions. Any Member Nonrecourse Deductions for any fiscal year or other period shall be specially allocated to the Member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i)(1) of the Treasury Regulations.

(g) Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Section 734(b) or Section 743(b) of the Code is required to be taken into account in determining Capital Accounts as a result of a distribution to a Member in complete liquidation of the Member's Interest pursuant to subparagraphs (*2*) or (*4*) of Section 1.704-1(b)(2)(iv)(*m*) of the Treasury Regulations, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their Interests in the event that Section 1.704-1(b)(2)(iv)(*m*)(*2*) of the Treasury Regulations applies, or to the Member to whom such distribution was made in the event that Section 1.704-1(b)(2)(iv)(*m*)(*4*) of the Treasury Regulations applies.

(h) Syndication Expenses. Syndication Expenses for any Fiscal Year shall be specially allocated to the Members in proportion their Percentage Interests, provided that, if additional Members are admitted to the Company on different dates, all Syndication Expenses shall be divided among the Members from time to time so that, to the extent possible, the cumulative Syndication Expenses allocated with respect to each Member at any time is the same amount.

(i) Allocations Relating to Taxable Issuance of Company Interests. Any income, gain, loss, or deduction realized as a direct or indirect result of the issuance of an Interest by the Company to a Member (the "Issuance Items") shall be allocated among the Members so that, to the extent possible, the net amount of such Issuance Items, together with all other allocations under this Agreement to each Member, shall be equal to the net amount that would have been allocated to each such Member if the Issuance Items had not been realized.

4.4 Curative Allocations. The allocations set forth in paragraphs (a), (b), (c), (d), (e), (f) and (g) of Section 4.3 hereof (the "Regulatory Allocations") are intended to comply with certain requirements of the Treasury Regulations. It is the intent of the Members that, to the extent possible, all Regulatory Allocations shall be offset either with other Regulatory Allocations or with special allocations of other items of Company income, gain, loss or deduction pursuant to this Section 4.4. Therefore, notwithstanding any other provision of this Article (other than the Regulatory Allocations), the Manager shall make such offsetting special allocations of Company income, gain, loss or deduction in whatever manner the Manager determines appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Agreement and all Company items were allocated pursuant to Sections 4.1, 4.2, 4.3(h), and 4.5 hereof. In exercising its discretion under this Section 4.4, the Manager shall take into account future Regulatory Allocations under Sections 4.3(a) and 4.3(b) that,

although not yet made, are likely to offset other Regulatory Allocations previously made under Sections 4.3(e) and 4.3(f) hereof.

4.5 Other Allocation Rules.

(a) The Members are aware of the income tax consequences of the allocations made by this Article and hereby agree to be bound by the provisions of this Article in reporting their shares of Company income and loss for income tax purposes.

(b) All allocations to the Members pursuant to this Article shall, except as otherwise provided, be divided among them in proportion to the Interests held by each. If more than one Person is a Manager, all such allocations to the Managers shall be divided among them in proportion to their Percentage Interests, unless they agree otherwise.

(c) Profits, Losses, or any other items allocable to any period shall be computed on a daily, monthly, or other basis, as determined by the Manager using any permissible method under Section 706 of the Code and the Treasury Regulations thereunder.

(d) Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, credit and any other allocations not otherwise provided for shall be allocated among the Members in the same proportions as they share Profits or Losses, as the case may be, for the fiscal year or other period for which such allocation is made.

(e) Solely for purposes of determining a Member's proportionate share of the "excess nonrecourse liabilities" of the Company within the meaning of Section 1.752-3(a)(3) of the Treasury Regulations, the Members' interests in Company profits are in proportion to their Adjusted Capital Contributions.

(f) To the extent permitted by Section 1.704-2(h)(3) of the Treasury Regulations, the Manager shall endeavor to treat distributions of Net Cash From Operations or Net Cash From Sales or Refinancings as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Member.

4.6 Tax Allocations: Section 704(c) of the Code.

(a) In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss, and deductions with respect to any Company Property contributed to the capital of the Company shall, solely for tax purposes, be allocated to the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with Sections 1.16(a) and 3.1 hereof).

(b) In the event the Gross Asset Value of any Company Property is adjusted pursuant to Section 1.16(b) hereof, subsequent allocations of income, gain, loss, and deductions with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Section 704(c) of the Code and the Treasury Regulations thereunder.

(c) Any elections or other decisions relating to such allocations shall be made by the Managers in any manner that reasonably reflects the purpose and intention of this Agreement, provided that the Company shall elect to apply the allocation method selected pursuant to the Treasury Regulations under Code Section 704(c). Allocations pursuant to this Section 4.6 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Member's Capital Account or share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

ARTICLE V

Records and Accounting

5.1 Books and Records.

(a) The Company shall maintain at its principal place of business all records and documents required to maintain including the following: (i) a current list showing the full name and last known street and mailing address of each Member, separately identifying the Managers, in alphabetical order, and the Members, in alphabetical order; (ii) a copy of the Articles and all amendments to and restatements of the Articles, together with signed copies of any power of attorney under which any certificate, amendment, or restatement has been signed; (iii) a copy of any filed certificate of conversion or merger; (iv) a copy of the Company's federal, state and local income tax or information returns and reports, if any, for the three (3) most recent taxable years; (v) copies of the original Agreement and all amendments to the Agreement; (vi) a copy of any financial statement of the Company for the three (3) most recent fiscal years; (vii) a copy of any record made by the Company during the past three (3) years of any consent given by or vote taken of any Member pursuant to the Act or the Agreement; and (viii) unless contained in the Agreement, a record stating: (A) the amount of cash, and a description and statement of the agreed value of the other benefits, contributed and agreed to be contributed by each Member; (B) the times at which, or events on the happening of which, any additional contributions agreed to be made by each partner are to be made; (C) for any person that is both a manager and a member, a specification of what transferable interest the person owns in each capacity; and (D) any events upon the happening of which the Company is to be dissolved and its activities wound up.

(b) Upon the request of a Member, the Manager shall promptly deliver to the requesting Member, at the expense of the Company, a copy of the information required to be maintained by clauses (i), (ii), (iii), (iv) or (v) of Section 5.1(a).

(c) Each Member has the right, upon reasonable request, to each of the following: (i) inspect and copy during normal business hours any of the Company records required to be maintained by Section 5.1(a); and (ii) obtain from the Manager, promptly after becoming available, a copy of the Company's federal, state and local income tax or information returns for each year.

5.2 Bank Accounts. The Manager shall open and maintain at such bank or banks as the Manager may from time to time select, one or more accounts in the name of the Company in which shall be deposited all cash Capital Contributions of the Members and all other funds of the Company. Construction expenses on the onset will be on the signature of the Manager within a pre-determined budget and pre-approved fund control system. Withdrawals shall be made only in the regular course of Company business on such signature or signatures as the Manager may determine.

5.3 Fiscal Year. The fiscal year of the Company shall be the calendar year January 01 to December 31.

5.4 Accounting. The accountants for the Company shall be such independent firm of certified public accountants or a professional bookkeeper and shall be selected by the Manager. All determinations of accounting matters under this Agreement, including but not limited to, determinations of Net Cash From Operations, Net Cash From Sales or Refinancings, Profits and Losses shall be made in accordance with the accounting method chosen by the Manager.

5.5 Financial Reports. Within thirty (30) days following the end of each calendar quarter, the Manager shall cause to be prepared on behalf of the Company and/or posted on a secured website available to the Members an unaudited statement of year-to-date receipts and disbursements. The Manager shall also cause to be prepared and transmitted any other reports or financial information required by the Act. All such reports shall be prepared and transmitted at the expense of the Company. Any Member shall

have the right to cause a separate audit of the books and records of the Company to be made at his or her own expense.

5.6 Income Tax Returns. Federal and state income tax returns for the Company shall be prepared each year by an independent certified public accountant selected by the Manager at the expense of the Company. Within ninety (90) days after the end of each taxable year, the Manager shall send to each Member such information as is necessary for each Member to complete federal and state income or information tax returns.

5.7 Company Tax Elections.

(a) All elections for federal, state, and local tax purposes required or permitted to be made by the Company under applicable law shall be made by the Manager.

(b) Upon the transfer of an Interest or upon the death of an individual Member, or upon the distribution of Company Property to any Member, the Company may (at the sole election of the Manager) file an election, in accordance with applicable Treasury Regulations, to cause the basis of the Company's property to be adjusted for federal income tax purposes as provided by Sections 734, 743 and 754 of the Code. If any such election is made in connection with the Transfer of an Interest or the death of an individual Member, the accounting costs attributable to the resulting adjustments shall be the responsibility of each transferee, heir or successor-in-interest regardless of whether the election was previously made.

5.8 Tax Matters Member.

(a) The Manager is hereby designated as the Tax Matters Member of the Company under Section 6231(a)(7) of the Code. The Manager shall have the authority, subject to the provisions of this Agreement, to make any election provided for under the Code or any provision of state of local tax law.

(b) To the extent authorized or permitted under applicable law, the Tax Matters Member shall represent the Company on behalf of all Members in connection with all administrative and judicial proceedings with respect to Company affairs involving or resulting from examinations by any and all federal, state or other tax authorities (including, but not limited to, examinations by the Internal Revenue Service). However, each Member shall have the right to participate in all meetings and hearings with the tax authorities, and the Tax Matters Member shall give the other Members notice of all such meetings and hearings.

(c) The Company shall indemnify and hold the Tax Matters Member harmless from any loss, damage, cost or expense (including attorneys' fees) incurred by the Tax Matters Member as a result of any act performed or omitted on behalf of the Company or any Member, in its capacity as the Tax Matters Member; provided, however, that the Tax Matters Member shall not be relieved of liability for such losses, damages, costs or expenses arising from the fraud, gross negligence or intentional misconduct of the Tax Matters Member and provided further that no Member shall be personally liable to any indemnitee.

ARTICLE VI

Management

6.1 Authority of the Manager. Subject to the limitations and restrictions set forth in this Agreement (including, without limitation, those set forth in this Article), the Manager shall have the sole and exclusive right to manage the business of the Company and shall have all of the rights and powers which may be possessed by managers under the Act including, without limitation, the right and power to:

(a) Acquire by purchase, lease, or otherwise any real or personal property which may be necessary, convenient, or incidental to the accomplishment of the purposes of the Company;

(b) Operate, maintain, finance, improve, construct, own, grant options with respect to, sell, exchange, convey, assign, mortgage, and lease any real estate and any personal property necessary, convenient, or incidental to the accomplishment of the purposes of the Company;

(c) Execute any and all agreements and certifications necessary or convenient in connection with the management, maintenance, and operation of Company Property;

(d) Obtain insurance for the protection of the Company and its assets, including public liability insurance, property damage insurance and such other insurance as is customarily maintained by Persons engaged in businesses similar to that of the Company, with scope of coverage and liability limits as deemed appropriate by the Manager, provided that coverage for property damage shall not be less than the full insurable value of the Company assets (reviewed from time to time);

(e) Borrow money and issue evidences of indebtedness necessary, convenient, or incidental to the accomplishment of the purposes of the Company, and secure the same by deed of trust, mortgage, pledge, or other lien on any Company Property;

(f) Execute, in furtherance of any or all of the purposes of the Company, any deed, lease, mortgage, deed of trust, promissory note, bill of sale, contract, or other instrument purporting to convey or encumber any or all of the Company Property;

(g) Prepay in whole or in part, refinance, recast, increase, modify, or extend any liabilities affecting the Company Property and in connection therewith execute any extensions or renewals of encumbrances on any or all of the Company Property;

(h) Pay any Person, including an Affiliate of the Manager, commission, finders or loan fees with respect to capital raising, leasing, or any refinancing of indebtedness encumbering any Company Property which such Person assists in arranging;

(i) Directly or through an Affiliate of the Manager, guarantee to third parties, if required, the repayment of loans made to the Company, for a fee, commercially reasonable in amount, payable to the Manager or such Affiliate;

(j) Care for and distribute funds to the Members by way of cash, income, return of capital, or otherwise, all in accordance with the provisions of this Agreement, and perform all matters in furtherance of the objectives of the Company or this Agreement;

(k) Contract on behalf of the Company for the employment and services of employees and independent contractors, such as attorneys, accountants, real estate brokers and property managers, and delegate to such Persons the duty to manage or supervise any of the assets or operations of the Company;

(l) Make any and all tax elections in accordance with Section 5.7 and act as the Tax Matters Member in accordance with Section 5.8;

(m) Enter into and carry out agreements of any kind with the Manager or an Affiliate of the Manager, including agreements for property management or real estate brokerage services, provided that such agreements must contain terms reasonably competitive with those which may be obtained from independent third parties;

(n) Execute any amendments to the Agreement and the Articles in accordance with the terms of the Agreement, both as Manager and, if required, as attorney-in-fact for the Members pursuant to any power of attorney granted by the Members to the Manager;

(o) Institute, prosecute, defend, settle, compromise, and dismiss lawsuits or other judicial or administrative proceedings brought on behalf of, or against, the Company or the Members in connection with activities arising out of, connected with, or incidental to this Agreement, and to engage counsel or others in connection therewith; and

(p) Do any and all other acts and things necessary, proper, convenient, or advisable to effectuate and carry out the purposes of the Company.

6.2 Right to Rely on Manager. No person dealing with any Manager shall be required to determine the authority of the Manager to make any commitment or undertaking on behalf of the Company, or to determine any fact or circumstance bearing upon the existence of the Manager's authority. The signature of the Manager shall be necessary and sufficient (a) to convey title to any real property owned by the Company, (b) to execute any promissory note, deed of trust, mortgage, or other instrument of hypothecation, (c) to execute any other agreement on behalf of the Company necessary and appropriate to carry out the business of the Company. The Members do hereby appoint the Manager as their attorney-in-fact for the execution of any or all of the documents described in this Section 6.2.

6.3 Restrictions on Authority. Notwithstanding anything in this Agreement to the contrary, the Manager shall not:

(a) Perform any act which is inconsistent with the terms of this Agreement;

(b) Commingle the funds of the Company with the funds of any other Person not associated with the purpose of the Company;

(c) Sell or liquidate all or substantially all of the Company Property without obtaining the approval of a majority of the Members; or

(d) Perform any act required by law to be approved by some or all of the Members without such approval.

6.4 Expense Reimbursement. The Manager shall be entitled to expend funds of the Company for Company purposes and shall also be entitled to reimbursement of reasonable costs and expenses necessarily expended by the Manager from its own funds in the Company business as well as advances made for the Company's account, if any.

6.5 Compensation of Manager. The Manager shall receive reasonable and customary compensation for any services rendered by the Manager to the Company other than in its capacity as a Manager, such as legal, accounting, bookkeeping, transfer agent, data processing and duplicating services. Manager will manage properties via a third-party property management company. When 75% of the members are not satisfied with the property management, once a year, members can vote to change property management.

6.6 Promotional Fee. The Company shall *not* have an obligation to pay the Manager a promotional fee for services rendered by the Manager in relation to the capital formation of the Company. These costs are considered the Manager's initial investment into the Company.

6.7 Developer Fee. The Manager will receive a Developer Fee in the amount of three (3%) percent of the Direct Construction Costs of the Property. This fee will be paid contemporaneously with the draws on the construction loan.

6.8 Other Business Activities. Any Member may have business interests and engage in business activities in addition to those relating to the Company, including the acquisition, improvement, ownership and operation of real property and other activities which conflict with or are in direct competition with the Company, either for its own account or for the account of others, without having or incurring any obligation to offer any interest in such activities to the Company or any Member, and no other provision of this Agreement shall be deemed to prohibit any such Member from owning or conducting such other businesses and other activities. Neither the Company nor any of the Members shall have any rights by virtue of the Company relationship created by this Agreement in any business activities of any such Member or any other revenues, profits and losses derived therefrom. The Manager will not commence fundraising in a competing fund until the sale of the Units in the Company is completed.

6.9 Responsibility of Manager. All business and affairs of the Company shall be managed by the Manager. The Manager shall direct, manage, and control the Company to the best of its ability and shall have full and complete authority, power, and discretion to make any and all decisions and to do any

and all things that the Manager shall deem to be reasonably required to accomplish the business and objectives of the Company. The Manager is not obligated to devote full time to Company business but shall devote to the Company an amount of time reasonably necessary to manage the Company business and perform the Manager's duties. Absent fraud, gross negligence or intentional misconduct by the Manager, the Manager shall not be liable or obligated to any Member for any mistake of fact or judgment made by the Manager in operating the business of the Company which results in any loss to the Company or its Members. The Manager does not, in any way, guarantee the return of any Member's capital or a profit from the operations of the Company. The Manager shall not be responsible to any Member because of a loss of investment or a loss in operations, unless such loss shall have been occasioned by fraud, gross negligence or intentional misconduct by the Manager.

6.10 Litigation. The Manager shall prosecute and defend, at Company expense, such actions at law or in equity as may be necessary to enforce or protect the interests of the Company. The Company and the Manager shall respond to any final decree, judgment or decision in any court or forum having jurisdiction in the matter. The Manager shall satisfy any such judgment, decree or decision first out of any insurance proceeds available therefor, next out of the assets of the Company, and finally out of the assets of the Manager. Notwithstanding the foregoing, if such judgment is the result of the Manager's fraud, gross negligence or intentional misconduct, then such judgment shall not be satisfied out of assets of the Company.

6.11 Indemnification of Manager.

(a) The Company, its receiver or its trustee shall indemnify the Manager and its Affiliates against any damages, expenses, claims, judgments or liabilities in respect of any act or any failure to act by the Manager on the Company's behalf so long as such act or failure to act does not constitute fraud, gross negligence or intentional misconduct. Indemnification shall be made from assets of the Company and no Member shall be personally liable to any indemnitee.

(b) The damages, expenses, claims, judgments or liabilities referred to in Section 7.10(a) shall include, but not be limited to, those which are (i) under the Securities Act of 1933, as amended, and other federal or state securities laws, (ii) pursuant to a Company derivative suit or any other action brought by a Member, but only if the person to be indemnified is successful in such action, and (iii) in connection with the making of any deposit, acquiring of any option or making of any similar payment or assumption of any obligation, in each case with respect to any property proposed to be acquired by the Company.

(c) The indemnification described in Section 7.11(a) shall include payment of (i) reasonable attorneys' fees or other expenses (which may be paid as incurred), including those incurred in settling any claim or liability or incurred in any finally adjudicated legal proceedings, and (ii) expenses incurred by the removal of any liens affecting any property of the person to be indemnified.

6.12 Authority of Members. Except as specifically provided herein, no Member shall have the right or authority to act for or bind the Company, nor shall any Member take any part in the conduct or control of the Company business.

ARTICLE VII

Member Approvals

7.1 Voting Rights. The Members shall have the right to vote on the matters specifically reserved for their approval which are set forth in this Agreement. Unless otherwise provided in this Agreement, the approval of a majority of the Members shall be required for any action to be taken with Member approval.

7.2 Meetings of the Members. Meetings of the Members may be called by the Manager for the Members to consider and take any action permitted under the Act and this Agreement. The Manager shall

also call a meeting upon the written request of Members holding ten percent (10%) or more of the Interests. Meetings shall be held at the Company's principal place of business or through online video conference, unless the notice of the meeting provides otherwise. Each meeting of Members shall be conducted by the Manager or such other Person designated by the Manager. A majority of the Members shall constitute a quorum for a meeting of the Members.

7.3 Actions Without Meetings. Any action that may be taken at a meeting of the Members may be taken without a meeting if a consent in writing setting forth the action to be taken is signed by Members owning not less than the minimum percentage Interests that would be necessary to authorize or take such action at a meeting at which all the Members were present and voted. Upon any request by the Manager for written approval of the Members, the Members must respond within a reasonable time period requested by the Manager, which shall be not less than ten (10) days nor more than thirty (30) days. A failure to respond with written disapproval within the requested time period shall constitute a vote which is consistent with the Manager's recommendation, if any, with respect to the proposal. If the Manager receives the necessary approval of the Members to such action, the Manager shall be authorized and empowered to implement such action without further authorization by the Members.

7.4 Notice Required for Less than Unanimous Consent. For any approved action to be taken without unanimous consent, notice must be given to all Members not less than ten (10) days nor more than thirty (30) days prior to the date of the vote. If a meeting is called, the notice shall state the place, date and hour of the meeting and the general nature of the business to be transacted. If no meeting has been called, the notice shall state the matter or matters to be voted on and the date on which the vote will be counted. The procedures for giving and waiving notices shall conform with Section 15637 of the Act. The Company shall bear all expenses of the notification and voting.

7.5 Unanimous Consent for Actions Taken Without Notice. The Company may take any action contemplated under this Agreement, with or without the notice described in Section 8.4, if approved by the unanimous consent of the Members, such consent to be provided in writing, or by telephone or facsimile, if such telephone conversation or facsimile is followed by a hard copy of the telephone conversation or facsimile communication sent by registered or certified mail, postage and charges prepaid, or email to the Company's principal place of business.

7.6 Proxies. Any Member may solicit proxies for any action requiring Member approval. Each Member may authorize any Person or Persons to act for him by proxy on all matters in which a Member is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member or his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

7.7 Amendment of Company Agreement. This Agreement may be amended upon the written approval of the Manager and a majority of the Members, except that any proposed amendment of a provision hereof requiring a greater affirmative vote for the matter addressed shall also require such greater affirmative vote for its enactment. Notwithstanding the foregoing, this Agreement may be amended by the Manager without the approval of any Member (a) to cure any ambiguity or to correct or supplement any provision herein which may be inconsistent with any other provision herein, (b) to amend or modify Appendix A to reflect any change in name, address or Percentage Interest for any Member as permitted by this Agreement, and (c) to amend or modify any provision herein as may be necessary or appropriate in the opinion of the Company's legal counsel to satisfy any state or federal tax or securities laws.

7.8 Limitations on Amendments. Notwithstanding Sections 8.3 and 8.6 hereof, this Agreement shall not be amended without the written consent of each Member adversely affected if such amendment

would (a) convert a Member's Interest into a Manager's Interest, (b) modify the limited liability of a Member, or (c) alter a Member's share of Profits, Losses, other items, or distributions pursuant to any provision of this Agreement.

7.9 Special Power of Attorney.

(a) Each Member constitutes and appoints the Manager as the attorney-in-fact for such Member, with power and authority to act in its name and on its behalf to approve, execute, acknowledge and swear to the execution, acknowledgment and filing of documents, including without limitation, the following:

(i) The Articles and any amendment thereto which, under the laws of the State of California or the laws of any other state, are required to be filed or the Manager elects to be filed;

(ii) Any other instrument or document required to be filed by the Company under the laws of any state or by any governmental agency, or that the Manager elects to file; and

(iii) Any instrument or document which may be required to effect the continuation of the Company, the admission of a transferee of an Interest as a Member, or the dissolution and termination of the Company (provided such continuation, admission or dissolution and termination are in accordance with the terms of this Agreement).

(b) The special power of attorney granted by each Member (i) is a special power of attorney coupled with an interest, (ii) is irrevocable, (iii) shall survive the granting Member's death or Incapacity, and (iv) is limited to those matters set forth herein.

(c) The Manager may exercise the special limited power of attorney on behalf of each Member by a facsimile or electronic signature of the Manager or one of its officers, or by signature of the Manager or one of its officers acting as an attorney-in-fact for all of the Members.

(d) The special power of attorney shall survive a Transfer by a Member of all or any portion of its Interest except that, where the transferee has been admitted to the Company as a Member, the special power of attorney shall survive the Transfer for the sole purpose of enabling the Manager to execute, acknowledge and file any instrument or document necessary to effect the admission of the Member.

ARTICLE VIII

Restrictions on Member Changes

8.1 Representations and Warranties. Each Member represents and warrants to each other Member that (a) the Member is acquiring his or her Interest for the Member's own account as an investment and without an intent to distribute the Interests, and (b) the Member acknowledges that the Interests have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and may not be resold or transferred by the Member without appropriate registration or the availability of an exemption from such registration.

8.2 Additional Company Interests. The Manager may admit to the Company additional Members until the aggregate Capital Contributions of all Members reaches $8,000,000. Each Unit is priced at $5,000 with a minimum purchase of 20 Units. The minimum investment shall be $100,000 Per Member. The acceptance of such additional Members is within the sole discretion of the Manager and no Person shall be admitted as an additional Member unless such Person agrees to be bound by the terms of this Agreement. Once the aggregate Capital Contributions of all Members is $8,000,000, additional Members may be admitted to the Company only with the prior written consent of the Manager and a majority of the Members.

8.3 Permitted Acquisitions and Transfers by Manager. Manager shall be permitted to acquire Interests by making Capital Contributions contemplated in Section 8.2 hereof to assure that the Company

has sufficient capital to meet its investment objectives. At any time on or before December 31, 2020, Manager shall be permitted to Transfer any portion of the Interests to new investors at the same price and terms paid by Manager. The new investors acquiring Interests from Manager shall be admitted to the Company as if such new investors had acquired such Interests directly from the Company pursuant to Section 8.2.

8.4 Dissociation, Withdrawal or Transfer by Manager. Except as set forth in Section 15906.04 of the Act providing a Manager with the power to dissociate from the Company by express will pursuant to Section 15906.03(a) of the Act, a Manager may not dissociate or withdraw from the Company or Transfer all or any portion of its Interest as Manager in the Company without (a) the written approval of a majority of the Members, and (b) the existence of, or the election of, a replacement Manager with sufficient assets to prevent the Company from ceasing to qualify as a Company for federal income tax purposes. Notwithstanding the foregoing, a Manager may not Transfer all or any part of its Interest as Manager in the Company if such Transfer would cause a termination of the Company for federal income tax purposes. Any attempt by a Manager to make a dissociation, withdrawal or Transfer in violation of this Section shall only be with the approval of the majority of the Members.

8.5 Removal of Manager. The Members shall have the right to remove any Manager upon the vote or written consent of seventy-five percent (75%) of the Members. A Manager may be removed only for good cause shown. "Good Cause" shall mean only a breach of Manager's duties hereunder or the gross negligence, willful misconduct or fraud, or bad faith on the part of the Manager. Notice of removal shall be served on the Manager either personally or delivered by certified or registered mail, return receipt requested. The notice shall state the date when the removal becomes effective. If the Manager is also a Member, the removal of the Manager shall not in any way reduce or affect the Manager's Interest in the Company.

8.6 Transfer by Member. A Member may not Transfer all or any portion of his or her Interest as Member of the Company, except as otherwise provided herein (including, but not limited to, in Section 8.3 hereof and this Section 8.6). Subject to the restrictions set forth in Section 8.8, a Member may Transfer all or any portion of his or her Interest to (a) any other Member, (b) a Family Member, (c) a trust for the exclusive benefit of the Member or one or more Family Members, (d) the Member's executor, administrator, trustee or personal representative to whom such Interest is transferred at death or involuntarily by operation of law, or (e) any purchaser in compliance with the requirements of Section 8.8 hereof.

8.7 Right of First Refusal.

(a) If a Member receives an acceptable offer for the purchase of all or a part of his or her Interest, the Member shall give the Manager written notice setting out full details of such offer. The notice of offer, among other things, shall specify the name of the offer or, the Interest covered by the offer, the amount and terms of payment, whether for cash or credit, and, if on credit, the time and interest rate, as well as any and all other consideration being received or paid in connection with such proposed transaction, as well as any and all other terms, conditions, and details of such offer.

(b) The Members shall have the exclusive right and option, exercisable at any time during a period of thirty (30) days from the date of the Manager's receipt of the notice of offer, to purchase the entire Interest covered by the offer in question at the same price and on the same terms and conditions as set out in the notice of offer. Upon receipt of the notice of offer, the Manager shall promptly deliver a copy of the notice of offer to the Members.

(c) Any Member desirous of purchasing all or a portion of the offered Interest shall notify the Manager of such Member's acceptance within ten (10) days of the Member's receipt of the notice of offer. If more than one Member accepts the offer, the Interest shall be purchased by the accepting Members in

proportion to their Percentage Interests, or as they otherwise agree. The Members may not elect to purchase less than the entire Interest offered for sale without the consent of the selling Member. If enough Members elect to exercise the option to purchase the entire Interest, the Manager shall give the selling Member a written notice of acceptance prior to the end of the thirty (30) day option period, and the purchase shall be consummated within thirty (30) days thereafter.

(d) If the Members do not elect to exercise the option to purchase the entire Interest within the thirty (30) day option period, the selling Member shall then be free to sell the Interest described in the notice of offer, subject to any prohibitions or restrictions on Transfer imposed by the Manager for purposes of compliance with applicable securities laws. The sale shall be strictly upon the terms and conditions and to the persons described in the notice of offer. If the sale is not so consummated within sixty (60) days after the expiration of the option period, the Interest shall thereafter once again become subject to the restrictions of this Article.

8.8 Admission of Transferee as Member. A transferee of an Interest as a Member may become admitted to the Company as a Member only upon the satisfaction of all of the following conditions:

(a) The Transfer of the Interest to the transferee is permitted under Section 8.6 hereof;

(b) The Manager, in its sole and absolute discretion, consents to the admission in writing;

(c) The transferor and the transferee execute and deliver to the Manager such documents and instruments of conveyance as the Manager may deem necessary or appropriate to effect the Transfer and to confirm the transferee's agreement to be bound by the provisions of this Agreement;

(d) The transferee pays the Company a sum sufficient to reimburse the Company for any reasonable expenses incurred in connection with such admission, including without limitation, (i) the legal expenses of reviewing and preparing any documents of Transfer and preparing and filing any necessary amendments to the Articles and this Agreement, and (ii) the accounting expenses of making the tax elections described in Section 5.7 hereof;

(e) The transferor and transferee furnish the Manager with the transferee's taxpayer identification number and other information reasonably necessary to permit the Company to file all required federal and state tax returns and other legally-required information statements or returns;

(f) The Transfer will not cause the Company to terminate for federal income tax purposes. At the request of the Manager, the transferee shall, at no cost to the Company, furnish the Company with an opinion of counsel satisfactory to the Manager that no such termination will occur; and

(g) The Transfer is not in violation of any applicable federal or state securities laws, including the Securities Act. At the request of the Manager, the transferee shall, at no cost to the Company, furnish the Company with an opinion of counsel satisfactory to the Manager that no such securities violation exists.

8.9 Rights of Unadmitted Transferee. A Person who acquires an Interest as a Member but is not admitted as a Member pursuant to Section 8.8 hereof, including a Person who acquires the Interest by levy, charging order, foreclosure, or other similar proceeding, shall be entitled only to the transferred Interest's share of Profits, Losses, other items and distributions in accordance with this Agreement. The unadmitted transferee shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books and records of the Company, shall have no right to vote on or consent to Company decisions, and shall not have any of the rights of a Manager or a Member under the Act or this Agreement.

8.10 Allocations and Distributions for Transferred Interests. Upon the Transfer of a Member's Interest during any accounting period in compliance with the provisions of this Agreement, Profits, Losses, each item thereof, and all other items attributable to such transferred Interest for such period shall be divided and allocated between such Member and the transferee by taking into account their varying

interests during the period in accordance with Section 706(d) of the Code, using any conventions permitted by law and selected by the Manager. All distributions on or before the date of such Transfer shall be made to such Member, and all distributions thereafter shall be made to the transferee.

8.11 Dissociation or Withdrawal Rights of Members. No Member shall have the right to dissociate, withdraw or retire from the Company at any time, except upon dissolution and termination of the Company. A Transfer of an Interest permitted in this Article shall not be considered a dissociation, withdrawal or retirement.

ARTICLE IX

Dissolution and Winding Up

9.1 Dissolving Events. The Company shall dissolve and commence winding up and liquidating upon the first to occur of any of the following events ("Dissolving Events"):

(a) Failure of the Company to execute its business and development plans as required herein above;

(b) The sale or liquidation of all or substantially all of the Company Property without any Member-approved plan for continuing the Company;

(c) The written consent of the Manager and a majority of the Members to cause dissolution of the Company; or

(d) The Incapacity or removal of the Manager.

The Members hereby agree that, notwithstanding any provision of the Act, the Company shall not dissolve prior to the occurrence of a Dissolving Event. Furthermore, if an event specified in Section 9.1(b) occurs, a majority of the Members may, within ninety (90) days of the date such event occurs, vote to elect a successor Manager and continue the Company business, in which case the Company shall not dissolve. If it is determined by a court of competent jurisdiction that the Company dissolved (i) prior to the occurrence of a Dissolving Event, or (ii) upon the occurrence of an event specified in Section 9.1(b) following which the Members elect a successor Manager pursuant to the previous sentence, the Members hereby agree to continue the business of the Company without a winding up or liquidation.

9.2 Winding Up.

(a) Upon the occurrence of a Dissolving Event, the Company's books shall be closed as if the date of such Dissolving Event were the last day of the Company's fiscal year. The Company's Profits and Losses shall be computed for the period ending on such date and shall be allocated to the Members according to the provisions of Article IX hereof.

(b) Following the occurrence of a Dissolving Event, the Manager (which term, for the purpose of this Article, shall include the trustees, receivers or other Persons required by law to wind up the affairs of the Company) shall take full account of the Company Property and liabilities of the Company. Company Property shall be liquidated as promptly as is consistent with obtaining the fair value thereof, or the Manager may distribute Company Property in kind, as it shall deem advisable. During the course of such winding-up process, the management of the Company and limitations on the powers of the Manager shall continue as set forth in Article VI hereof. The liquidation proceeds, together with Company Property to be distributed in kind and any capital contributed by the Manager pursuant to Section 9.3 below, shall be applied and distributed, in one or more installments, in the following order and priority:

(i) To the payment and discharge of all of the Company's debts and liabilities, other than debts to Members and transferable debts secured by Company Property;

(ii) To the payment and discharge of any loans or advances made by Members to the Company and all expenses, including attorneys' fees, incurred by the Manager in connection with the winding up and liquidation of the Company;

(iii) To the Capital Members until the Capital Members have received an amount equal to the excess, if any of (i) the cumulative Priority Return from the commencement of the Company to the time of such distribution, over (ii) the sum of all prior distributions to the Capital Members pursuant to Sections 5.1(b), 5.2(b) and this Section 9.2(b)(iii); and

(iv) To the Members in satisfaction of, and in proportion to, the positive balances of their respective Capital Accounts as those accounts are determined after all adjustments required by Section 1.704-1(b)(2)(ii)(*b*) of the Treasury Regulations have been made to such Capital Accounts for the fiscal year of the Company during which the liquidation occurs, such adjustments to be made within the time specified in the Treasury Regulations.

(c) Notwithstanding Section 9.2(b)(iii) hereof, no distribution shall be made pursuant to Section 9.2(b)(iii) that creates or increases a Capital Account deficit for any Capital Member that exceeds such Capital Member's obligation (deemed and actual) to restore such deficit, determined as follows: Distributions shall first be determined tentatively pursuant to Section 9.2(b)(iii) without regard to the Capital Members' Capital Accounts, and then the allocation provisions of Article IV shall be applied tentatively as if such tentative distributions had been made. If any Capital Member shall thereby have a deficit Capital Account that exceeds his obligation (deemed and actual) to restore such deficit, the actual distribution to such Capital Member pursuant to Section 9.2(b)(iii) shall be equal to the tentative distribution to such Capital Member less the amount of the excess to such Capital Member.

(d) Any non-cash asset distributed to one or more Members shall first be valued at its fair market value to determine the Profit or Loss that would have resulted if such asset were sold for such value, such Profit or Loss shall then be allocated pursuant to Article IV, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged to the Capital Account of each Member receiving an interest in such distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The fair market value of such asset shall be determined by an independent appraiser recognized as an expert in valuing the type of asset involved.

(e) At the discretion of the Manager, distributions pursuant to the foregoing provisions may be distributed to a trust established for the benefit of the Members for the purpose of liquidating Company Property, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company or of the Manager arising out of or in connection with the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Manager, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to the foregoing provisions.

(f) At the discretion of the Manager, distributions pursuant to the foregoing provisions may be withheld to provide a reasonable reserve for Company liabilities (contingent or otherwise) and to reflect the unrealized portion of any installment obligations owed the Company, provided that such withheld amounts shall be distributed to the Members as soon as practicable.

(g) The Manager shall not be entitled to any compensation for its activities in liquidating and winding up the Company, but any other Person who may be retained to wind up the affairs of the Company shall be entitled to reasonable compensation for his or her services in connection therewith. It is understood and agreed that except as may be otherwise specifically herein provided, no dissolution or termination of the Company shall release or relieve any of the Members of their contractual obligations to the other Members under this Agreement.

(h) Each Member understands and agrees that by accepting the provisions of this Section 9.2 setting forth the priority of the distribution of the assets of the Company to be made upon its dissolution, such Member expressly waives any right which such Member, as a creditor of the Company, might otherwise have under the Act to receive distributions of assets *pari passu* with the other creditors of the Company in connection with a distribution of assets of the Company in satisfaction of any liability of the Company, and hereby subordinates to said creditors any such right. Distributions made pursuant to this Section 9.2 shall be in full satisfaction of the Members' claims against the Company for distributions in dissolution.

9.3 Deficit Capital Account Restoration. If the Company is liquidated within the meaning of Section 1.704-1(b)(2)(ii)(*g*) of the Treasury Regulations, distributions shall be made pursuant to Section 10.2 hereof to the Members who have positive Capital Accounts in compliance with Section 1.704-1(b)(2)(ii)(*b*)(*2*) of the Treasury Regulations. If the Capital Account of the Manager has a deficit (negative) balance (after giving effect to all contributions, distributions, and allocations for all fiscal years, including the fiscal year during which such dissolution occurs), the Manager shall contribute cash to the capital of the Company in an amount sufficient to restore such deficit balance to zero in compliance with Section 1.704-1(b)(2)(ii)(*b*)(*3*) of the Treasury Regulations, and the funds so contributed shall become part of the cash proceeds to be paid to the creditors of the Company or distributed to the Members in accordance with Section 9.2. No Member shall have any liability to the Company, to the other Members, nor to the creditors of the Company on account of any deficit balance in such Member's Capital Account.

9.4 Deemed Distribution and Recontribution. Notwithstanding any other provision of this Article, if the Company is liquidated within the meaning of Section 1.704-1(b)(2)(ii)(*g*) of the Treasury Regulations but no Dissolving Event has occurred, the Company Property shall not be liquidated, the Company's liabilities shall not be paid or discharged, and the Company's affairs shall not be wound up. Instead, solely for federal income tax purposes, the Company shall be deemed to have distributed the Company Property in kind to the Members, who shall be deemed to have assumed and taken subject to all Company liabilities, all in accordance with their respective Capital Accounts, and if the Manager's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations for all fiscal years, including the fiscal year during which such dissolution occurs), the Manager shall contribute to the capital of the Company the amount necessary to restore such deficit balance to zero in compliance with Section 1.704-1(b)(2)(ii)(*b*)(*3*) of the Treasury Regulations. Immediately thereafter, the Members shall be deemed to have recontributed the Company Property in kind to the Company, which shall be deemed to have assumed and taken subject to all such liabilities.

9.5 Distribution Rights of Members. Except as otherwise provided in this Agreement, (a) each Member shall look solely to the assets of the Company for the return of his or her Capital Contribution and shall have no right or power to demand or receive property other than cash from the Company, and (b) no Member shall have priority over any other Member as to the return of his or her Capital Contributions, or as to any other distributions.

9.6 Termination of Company. The Company shall be terminated when the winding up of the Company's affairs is completed and all liquidation proceeds and Company Property have been applied and distributed in accordance with Section 9.2; provided, however, that distribution to a liquidating trust established for the benefit of the Members pursuant to Section 9.2(c) shall not continue the term of the Company.

9.7 Certificate of Cancellation. Upon the completion of the winding up of the Company's affairs pursuant to Section 9.2, the Manager shall cause a Certificate of Cancellation to be prepared and filed in the office of the California Secretary of State in the form required by Section 15902.03 of the Act, and a certified copy of the Certificate of Cancellation to be recorded in each county, if any, in which a

certified copy of the Certificate has been recorded. The Manager shall also cause an appropriate statement of abandonment of fictitious business name statement to be filed and published in the manner prescribed by Section 17922 of the California Business and Professions Code, as amended.

ARTICLE X

Investment Representations

The Manager has established suitability standards for the protection of all the Members. Only those who qualify as "Accredited" or "Sophisticated" investors or with a prior business relationship with the Manager will be allowed to purchase Units. The success of a group investment is often enhanced if all the Members share a common investment goal, have similar investment experience and similar financial capabilities.

Each U.S. Investor must be an "accredited investor" as such term is defined in Regulation D promulgated by the SEC under the Securities Act. Some of the ways U.S. Investors who wish to purchase these Units as an "Accredited" investor must meet one of the standards of an "Accredited" investor as defined in Section 260.102.13 of Title 10 of the California Code of Regulations. Standards are listed below:

- For natural person Investors, having a net worth of at least $1,000,000, excluding the value of a primary residence; or
- For natural person Investors, having an adjusted gross income of at least $200,000 for the last 2 years (or $300,000 with a spouse); or
- For entity Investors, having assets of at least $5,000,000, or
- For entity Investors, having all of the owners of the entity otherwise be Accredited Investors.

Preexisting Relationship or Experience. He or she has a preexisting personal or business relationship with the Company or the Manager or by reason of his or by reason of the business or financial experience or by reason of the advice of his or her financial advisor who is unaffiliated with and who is not compensated, directly or indirectly, by the Company or any Affiliate or selling agent of the Company, he or she is capable of evaluating the risks and merits of an investment in the Company and of protecting his or her own interests in connection with this investment.

Each Investor agrees that the suitability standards for an investment in the Company were established by the Manager after considering the following factors:

- An investment in these Units has little, if any liquidity. It is unlikely that a market for the resale of these Units will exist. Investors should be able to continue in the investment until the Company is producing a net profit from the cash flow from operations or until the Sale of the Property and the subsequent dissolution of the Company occurs.
- An investment in these Units will be affected by Federal and State income taxes. Investors should consider the taxable income (losses) projected to be produced from operations and at the Sale of the Property and be aware of the importance of their marginal tax bracket in terms of any tax benefits projected to be received.
- An investment in these Units may produce a cash flow which would be available for distribution. However, it is possible that the Manager will determine to fund additional reserves from the cash

flow generated by the Property and there may not be any cash available for distribution from operations.

- An investment in these Units should be considered long term in nature. Investors should be in a financial position that will enable them to hold these Units for the period of time projected. Investors should be aware that there may be adverse tax consequences of selling their Units prior to the Sale of the Property or the dissolution of the Company.

Each Investor further agree to the following Investment Representations:

10.1 Investment Intent. He or she is acquiring the Company Interest for investment purposes for his or her own account only and not with a view to or for sale in connection with any distribution of all or any part of the Company Interest. No other person will have any direct or indirect beneficial interest in or right to the Company Interest.

10.2 Purpose of Entity. If the Member is a corporation, partnership, limited liability company, trust, or other entity, it was not organized for the specific purpose of acquiring the Company Interest.

10.3 Economic Risk. He or she is financially able to bear the economic risk of an investment in the Company Interest, including the total loss thereof.

10.4 No Registration of Company Interest. He or she acknowledges that the Company Interest has not been registered under the Securities Act, or qualified under the Securities Law, or any other applicable blue sky laws in reliance, in part, on his or her representations, warranties, and agreements herein.

10.5 Company Interest in Restricted Security. He or she understands that the Company Interest is a "restricted security" under the Securities Act in that the Company Interest will be acquired from the Company in a transaction not involving a public offering, and that the Company Interest may be resold without registration under the Securities Act only in certain limited circumstances and that otherwise the Company Interest must be held indefinitely.

10.6 No Obligation to Register. He or she represents, warrants, and agrees that the Company and the Manager are under no obligation to register or qualify the Company Interest under the Securities Act or under any state securities law, or to assist him or her in complying with any exemption from registration and qualification.

10.7 No Disposition in Violation of Law. Without limiting the representations set forth above, and without limiting Article VIII of this Agreement, he or she will not make any disposition of all or any part of the Company Interest which will result in the violation by him or her or by the Company of the Securities Act, the Securities Law, or any other applicable securities laws. Without limiting the foregoing, he or she agrees not to make any disposition of all or any part of the Company Interest unless and until:

(a) There is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement and any applicable requirements of state securities laws; or

(b) He or she has notified the Company of the proposed disposition and has furnished the Company with a detailed statement of the circumstances surrounding the proposed disposition, and if reasonably requested by the Manager, he or she has furnished the Company with a written opinion of counsel, reasonably satisfactory to the Company, that such disposition will not require registration of any securities under the Securities Act or the consent of or a permit from appropriate authorities under any applicable state securities law.

10.8 Legends. He or she understands that the certificates (if any) evidencing the Company Interest may bear one or all of the following legends:

(a) "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, DELIVERED AFTER SALE, TRANSFERRED, PLEDGED, OR HYPOTHECATED UNLESS QUALIFIED AND REGISTERED UNDER APPLICABLE STATE AND FEDERAL SECURITIES LAWS OR UNLESS, IN THE OPINION OF COUNSEL SATISFACTORY TO THE COMPANY, SUCH QUALIFICATION AND REGISTRATION IS NOT REQUIRED. ANY TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS FURTHER SUBJECT TO OTHER RESTRICTIONS, TERMS, AND CONDITIONS WHICH ARE SET FORTH HEREIN IN THE COMPANY'S OPERATING AGREEMENT, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY"; or

(b) Any legend required by applicable state securities laws.

10.9 Investment Risk. He or she acknowledges that the Company Interest is a speculative investment which involves a substantial degree of risk of loss by him or her of his or her entire investment in the Company, that he or she understands and takes full cognizance of the risk factors related to the purchase of the Company Interest, and that the Company is newly organized and has no financial or operating history.

10.10 Investment Experience. He or she is an experienced investor in unregistered securities of limited liability companies or partnerships.

10.11 Restrictions on Transferability. He or she acknowledges that there are substantial restrictions on the transferability of the Company Interest pursuant to this Agreement, that there is no public market for the Company Interest and none is expected to develop, and that, accordingly, it may not be possible for him or her to liquidate his or her investment in the Company.

10.12 Information Reviewed. He or she has received and reviewed all information he or she considers necessary or appropriate for deciding whether to purchase the Company Interest. He or she has had an opportunity to ask questions and receive answers from the Company and its officers, Manager and employees regarding the terms and conditions of purchase of the Company Interest and regarding the business, financial affairs, and other aspects of the Company and has further had the opportunity to obtain all information (to the extent the Company possesses or can acquire such information without unreasonable effort or expense) which he or she deems necessary to evaluate the investment and to verify the accuracy of information otherwise provided to him or her.

10.13 No Representations By Company. Neither the Manager, any agent or employee of the Company or of the Manager, or any other Person has at any time expressly or implicitly represented, guaranteed, or warranted to him or her that he or she may freely transfer the Company Interest, that a percentage of profit or amount or type of consideration will be realized as a result of an investment in the Company Interest, that past performance or experience on the part of the Manager or its Affiliates or any other person in any way indicates the predictable results of the ownership of the Company Interest or of the overall Company business, that any cash distributions from Company operations or otherwise will be made to the Members by any specific date or will be made at all, or that any specific tax benefits will accrue as a result of an investment in the Company.

10.14 Consultation with Attorney. He or she has been advised to consult with his or her own attorney regarding all legal matters concerning an investment in the Company and the tax consequences of participating in the Company, and has done so, to the extent he or she considers necessary.

10.15 Tax Consequences. He or she acknowledges that the tax consequences to his or her of investing in the Company will depend on his or her particular circumstances, and neither the Company, the Manager, the Members, nor the partners, shareholders, members, managers, agents, officers, directors,

employees, Affiliates, or consultants of any of them will be responsible or liable for the tax consequences to him or her of an investment in the Company. He or she will look solely to, and rely upon, his or her own advisers with respect to the tax consequences of this investment.

10.16 No Assurance of Tax Benefits. He or she acknowledges that there can be no assurance that the Code or the Regulations will not be amended or interpreted in the future in such a manner so as to deprive the Company and the Members of some or all of the tax benefits they might now receive, nor that some of the deductions claimed by the Company or the allocations of items of income, gain, loss, deduction, or credit among the Members may not be challenged by the Internal Revenue Service.

10.17 Indemnity. He or she shall defend, indemnify and hold harmless the Company, the Manager, each and every other Member, and any officers, directors, shareholders, managers, members, employees, partners, agents, attorneys, registered representatives, and control persons of any such entity who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of or arising from any misrepresentation or misstatement of facts or omission to represent or state facts made by him or her including, without limitation, the information in this Agreement, against losses, liabilities, and expenses of the Company, the Manager, each and every other Member, and any officers, directors, shareholders, managers, members, employees, partners, attorneys, accountants, agents, registered representatives, and control persons of any such Person (including attorneys' fees, judgments, fines, and amounts paid in settlement, payable as incurred) incurred by such Person in connection with such action, suit, proceeding, or the like.

ARTICLE XI

Miscellaneous

11.1 Counsel to the Company. Counsel to the Company may also be counsel to the Manager or an Affiliate of the Manager. The Manager may execute on behalf of the Company and the Members any consent to the representation of the Company that counsel may request pursuant to the California Rules of Professional Conduct or similar rules in any other jurisdiction ("Rules"). The Company intend to work with attorneys whom the Manager have established relationships with as legal counsel to the Company as the need arises. Each Member acknowledges that Company Counsel does not represent any Member in the absence of a clear and explicit written agreement to such effect between the Member and Company Counsel, and that in the absence of any such agreement Company Counsel shall owe no duties directly to a Member. Notwithstanding any adversity that may develop, in the event any dispute or controversy arises between any Members and the Company, or between any Members or the Company, on the one hand, and the Manager (or Affiliate of the Manager) that Company Counsel represents, on the other hand, then each Member agrees that Company Counsel may represent either the Company or the Manager (or its Affiliate), or both, in any such dispute or controversy to the extent permitted by the Rules, and each Member hereby consents to such representation.

11.2 Notices. Except as otherwise provided herein, any notice, consent, vote or other communication required or permitted to be given in connection with the business of the Company shall be in writing and shall be given by personal delivery, United States registered or certified mail (postage prepaid, return receipt requested), email, overnight courier, telegram, or facsimile transmission. Notices shall be deemed given upon the earlier of (a) five (5) days after deposit in United States mail, if sent by United States mail, or (b) actual receipt, if sent by other means. Notices shall be directed to the addresses shown in the Company's books and records.

11.3 Time. Time is of the essence in this Agreement. In computing any period of time pursuant to this Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday or a legal holiday, in which event the period shall run until the end of the next day that is not a Saturday, Sunday or a legal holiday.

11.4 Waiver of Actions for Partition and Company Accounting. Each Member irrevocably waives any right that it may have to maintain any action in equity or at law for partition with respect to any Company Property. To the fullest extent permitted by law, each Member covenants that it will not (except with the consent of the Manager) file a bill for Company accounting.

11.5 Capacity to Sign. All Members covenant that they possess all necessary capacity and authority to sign and enter this Agreement. All Persons signing this Agreement for a Member which is a cooperation, partnership, limited liability company or other legal entity, and all Persons signing under power of attorney or as a trustee, guardian, conservator, or in any other legal capacity, covenant that they have the necessary capacity and authority to act for, sign, and bind the respective entity or principal on whose behalf they are signing.

11.6 Further Actions. Upon the request of the Manager, each Member agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

11.7 Successors. Except as otherwise herein provided, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, successors and all persons hereafter having or holding an Interest, whether as assignees, substituted Members, or otherwise.

11.8 Rights of Third Parties. Except as otherwise herein provided, the provisions of this Agreement are solely for the purpose of defining the interests of the Members, *inter se*, and no other Persons (i.e. a party who is not a signatory hereto) shall have any rights, power, title or interest, by way of subrogation or otherwise, in and to the rights, powers, titles and provisions of this Agreement.

11.9 Entire Agreement. This Agreement contains the entire agreement of the Members relating to the rights granted and obligations assumed in this instrument, and supersedes any and all agreements, contracts or understandings between the Members in any way related to the purposes of this Company.

11.10 Severability. If any provision of this Agreement is held by an arbitrator or a court of competent jurisdiction to be invalid, void, or unenforceable, such provision shall be deemed severed from this Agreement and the rest of the Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

11.11 Captions. Any titles or captions of Articles or Sections contained in this Agreement are for convenience only and shall not be deemed part of the context of this Agreement.

11.12 Gender and Number. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identification of the Person or Persons may require. The use of the singular includes the plural, and the use of the plural includes the singular, wherever the context thereof may require.

11.13 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

11.14 Attorneys' Fees and Costs. In any dispute between the Members, whether or not resulting in arbitration or litigation, the party substantially prevailing shall be entitled to recover from the other party all reasonable costs, including without limitation, reasonable attorneys' fees, arbitrator's fees, administrative fees and court costs.

11.15 Counterparts. This Agreement may be executed in several counterparts, and all counterparts so executed shall constitute one agreement, binding upon all of the Members hereto,

notwithstanding that not all of the Members are signatories to the original of the same counterpart. The Manager is authorized to remove the signature pages of this instrument from any counterpart copy and attach such signature pages to a single instrument so that the original signatures of all Members will be physically attached to the same document.

[Signatures on Next Page]

This Agreement is hereby executed by the Manager below, and by the Members on the attached Member Signature Pages, effective as of the date first stated above.

MANAGER: Cyrus Capital, LLC

By: _____
Cyrus Rapinan, Manager

APPENDIX A

MEMBERS
National City Impact Fund, LLC,

NAME AND ADDRESS	CAPITAL CONTRIBUTION	SIGNATURE AND DATE
MEMBERS:		
Cyrus Capital, LLC	Managing Member	By: _____ Date:
MEMBERS:		
	_____	By: _____ Date:
MEMBERS:		
	_____	By: _____ Date:
MEMBERS:		
	_____	By: _____ Date:
MEMBERS:		
	_____	By: _____ Date:

MEMBERS:

_____ By: _____

Date:

MEMBERS:

_____ By: _____

Date:

MEMBERS:

_____ By: _____

Date:

MEMBERS:

_____ By: _____

Date: