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**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

**OF**

**JACK-QOZB LLC,  
a Washington limited liability company**

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**SCHEDULES AND EXHIBITS:**

Schedule 1     Unit Holder Information  
Schedule 2     Legal Description of Property  
Exhibit A      Development Plan

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT  
OF  
JACK-QOZB LLC**

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (“*Agreement*”) is made and entered into effective as of December 31, 2019 (the “*Effective Date*”) by and among UV 316 ALASKAN LLC, a Washington limited liability company (“*UV 316*”), JACK-UV QOF LLC, a Washington limited liability company (“*Jack-UV QOF*”) and JACK-BG QOF LLC, a Washington limited liability company (“*Jack-BG QOF*”).

ARTICLE 1 – DEFINITIONS

The following definitions shall apply for purposes of this Agreement (unless otherwise expressly noted herein):

“*Act*” means the Washington Limited Liability Company Act (Revised Code of Washington Ch. 25.15), and any amendments thereto and successors thereof.

“*Affiliate*” means, with respect to any Person, (i) any other Person directly or indirectly controlling, controlled by, or under common control with such Person, (ii) any Person owning or controlling twenty percent (20%) or more of the outstanding voting interests of such Person, (iii) any officer, director, or general partner of such Person, or (iv) any Person who is an officer, director, general partner, trustee, or holder of twenty percent (20%) or more of the voting interests of any Person described in clauses (i) through (iii). 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, whether through the ownership of voting securities, by contract or otherwise.

“*Capital Account*” means the capital account determined and maintained for each Unit Holder pursuant to Section 8.2.

“*Capital Contribution*” means any contribution to the capital of the Company in cash or property by a Member whenever made.

“*Certificate of Formation*” means the certificate of formation filed with the office of the Secretary of State of the State of Washington to form the Company, as such may be amended from time to time.

“*Code*” means the Internal Revenue Code of 1986, as amended, or corresponding provisions of any successor laws.

“*Company*” means Jack-QOZB LLC, a Washington limited liability company.

“*Company Minimum Gain*” has the same meaning as the term “partnership minimum gain” in Regulation Sections 1.704-2(b)(2) and 1.704-2(d).

“*Deferred Gain*” shall mean, with respect to any Member, any capital gain that such Member would be required to recognize under the Code before 2027 in connection with an actual or deemed sale or exchange of property with an “unrelated person” (as defined in Code Section 1400Z-2(e)(2)) but that is permitted to be deferred to the extent permitted under the Opportunity Zone Rules (i.e., an “eligible gain” within the meaning of Proposed Treasury Regulations Section 1.1400Z2(a)-1(b)(1) or any successor concept in Future Treasury Guidance.

“*Deficit Capital Account*” means with respect to any Unit Holder, the deficit balance, if any, in such Unit Holder’s Capital Account as of the end of the taxable year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amount that such Unit Holder is obligated to restore to the Company under Section 1.704-1(b)(2)(ii)(c) of the Regulations, as well as any addition thereto pursuant to the next to last sentences of Sections 1.704-2(g)(1) and (i)(5) of the Regulations (i.e., the Unit Holder’s share of Company Minimum Gain and Member Minimum Gain); and

(b) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations.

This definition is intended to comply with the provisions of Sections 1.704-1(b)(2)(ii)(d) and 1.704-2 of the Regulations and will be interpreted consistently with those provisions.

“*Development Plan*” has the meaning set forth in Section 3.2 hereof.

“*Distributable Cash*” means all cash received by the Company, less the sum of the following, to the extent paid or set aside by the Company: (i) all principal and interest payments on indebtedness of the Company and other sums paid or payable to lenders; (ii) all cash expenditures incurred incident to the normal operation of the Company’s business; and (iii) Reserves.

“*Economic Interest*” means a Unit Holder’s share of Net Profits, Net Losses, and other tax items of the Company and distributions by the Company pursuant to this Agreement and the Act, but does not include any right to participate in the management or affairs of the Company, such as, but not limited to, the right to vote on, consent to or otherwise participate in any decision of the Members.

“*Economic Interest Owner*” means an owner of an Economic Interest who is not a Member.

“*Entity*” means any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or association or any other organization that is not a natural person.

“*Fiscal Year*” shall mean each fiscal year of the Company (or portion thereof), which shall end on December 31; provided, that the initial “*Fiscal Year*” commenced on the Effective Date and shall end on December 31, 2019; provided, further, that the final “*Fiscal Year*” shall mean the period from the January 1 immediately preceding the Termination of the Company to the date of such Termination.

*“Future Treasury Guidance”* shall mean additional rules and regulations of the Department of Treasury and the IRS issued after the date of this Agreement and governing Qualified Opportunity Zones and Qualified Opportunity Funds and guidance from the Department of Treasury and IRS regarding the rules and regulations governing Qualified Opportunity Zones and Qualified Opportunity Funds.

*“Initial Development Plan”* has the meaning set forth in Section 3.2 hereof.

*“Investment”* shall mean any equity investment by the Company in real property or interests in real property (including equity in entities owning such interests), whether directly or indirectly through one or more persons

*“Majority Interest”* means, at any time, more than fifty percent (50%) of the then outstanding Units held by Members.

*“Manager”* means Urban Visions Management LLC, a Washington limited liability company, and any other Person who may become a substitute or additional Manager as provided in Article 5.

*“Member”* means each Person who executes a counterpart of this Agreement as a Member and each Person who may hereafter become a Member. If a Manager has purchased a Membership Interest in the Company, it will have all the rights of a Member with respect to such Membership Interest, the term *“Member”* shall include a Manager if it has purchased a Membership Interest. If a Person is a Member immediately prior to the acquisition by such Person of an Economic Interest, such Person shall have all the rights of a Member with respect to such Economic Interest.

*“Member Minimum Gain”* has the same meaning as the term “partner non-recourse debt minimum gain” in Regulation Section 1.704-2.

*“Membership Interest”* means (a) all of a Member’s share of and interest in the Net Profits, Net Losses, and other tax items of the Company and distributions by the Company pursuant to this Agreement and the Act, and (b) all of a Member’s rights to participate in the management or affairs of the Company, including the right to vote on, consent to or otherwise participate in any decision of the Members.

*“Net Profits”* and *“Net Losses”* shall have the meanings ascribed to those terms in Section 9.3.

*“Net Fair Market Value”* means the fair market value of the Property, as determined by mutual agreement of Manager and the party to receive its portion of such Net Fair Market Value, less the amount of mortgage debt secured by the Property and customary closing costs, all determined as of a specified date. If Manager and the other party to receive its portion of such Net Fair Market Value cannot agree on the fair market value of the Property within fifteen (15) days of Manager’s notice to such other party of the need to determine the fair market value of the Property, then such fair market value shall be performed by a state-certified appraiser having at least ten (10) years’ experience in valuing commercial property in the metropolitan area where the Property is located. Such appraiser’s determination of the fair market value of the Property shall be binding on the parties, and the cost of such appraisal shall be paid one-half by the Company

and one-half by the party or parties who will receive its or their portion of the Net Fair Market Value of the Property.

“*Opportunity Zone Rules*” mean Sections 1400Z-1 and 1400Z-2 of the Code and the Regulations promulgated and rulings issued thereunder, including any amendment to, or corrective legislation or guidance in connection with, the foregoing.

“*Percentage Interest*” means with respect to any Unit Holder the percentage determined based upon the ratio that the number of Units held by such Unit Holder bears to the total number of all outstanding Units.

“*Person*” means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such “*Person*” where the context so permits.

“*Prime Rate*” means the then-current “*Prime Rate*” published in *The Wall Street Journal* “*Money Rates*” column from time to time, as determined by Manager, or if such rate is no longer so published, then the prime or base rate of a U.S. national bank as selected by Manager in its sole discretion.

“*Project*” means (i) the acquisition of the Property by the Company and the development, construction and management of one or more commercial or residential buildings and related improvements and the owning, financing, leasing, selling or otherwise disposing of or dealing with the Property, or (ii) when the context in which such term so requires or allows, the Property.

“*Property*” means that certain real property legally described on the attached Schedule 2 together with any other personal property owned or acquired by the Company.

“*QOF Asset Test*” means an investment vehicle that is (a) organized as a partnership or a corporation for federal tax purposes (i.e., not a disregarded entity) and (b) formed for the purpose of investing in and holding at least ninety percent (90%) of its assets in QOZ Property at two (2) annual QOF Testing Dates, as defined in Code Section 1400Z-2(d)(1).

“*QOF Members*” means collectively, Jack-UV QOF, Jack-BG QOF and their respective successors and assigns.

“*QOF Testing Date*” means, for the Company’s first taxable year, (a) if the Company’s first month as a Qualified Opportunity Fund occurs between January 1 and June 30, the last day of the first 6- month period composed entirely of months which are within the taxable year and during which the Company is a Qualified Opportunity Fund and (b) the last day of the Company’s taxable year. For subsequent years, the QOF Testing Dates are semi-annual (i.e., June 30 and December 31).

“*QOZ Business Property*” means “qualified opportunity zone business property” as defined in Code Section 1400Z-2(d)(2)(D), including, if applicable, as modified by Section 1400Z-2(d)(3)(A)(i) of the Code to apply to a QOZ Business, and QOZ Regulations thereunder.

“*QOZ Business*” means a “qualified opportunity zone business” within the meaning of Code Section 1400Z-2(d)(3).

“*QOZ Partnership Interest*” means a “qualified opportunity zone partnership interest” as defined in Code Section 1400Z-2(d)(2)(C) and Regulations thereunder.

“*QOZ Program*” means the means Subchapter Z of the Code, as amended, or corresponding provisions of any successor laws.

“*QOZ Property*” means “qualified opportunity zone property” within the meaning of Code Section 1400Z-2(d)(2)(A), including QOZ Business Property, QOZ Partnership Interests and QOZ Stock.

“*QOZ Regulations*” means all Regulations related to the QOZ Program.

“*QOZ Stock*” means “qualified opportunity zone stock” within the meaning of Code Section 1400Z-2(d)(2)(B) and Regulations thereunder.

“*QOZB*” means a “qualified opportunity zone business” as defined in Code Section 1400Z-2(d)(3) and Regulations thereunder.

“*Qualified Opportunity Fund*” means a “qualified opportunity fund” within the meaning of Section 1400Z-2(d)(1) of the Code.

“*Qualified Opportunity Zones*” means census tracts proposed by the governors or other chief executives of the various states and territories and the District of Columbia and designated by the Treasury Department as “qualified opportunity zones” under Code Section 1400Z-1, pursuant to IRS Notice 2018-48.

“*Regulations*” includes proposed, temporary and final Treasury regulations promulgated under the Code and the corresponding sections of any regulations subsequently issued that amend or supersede such regulations.

“*Reserves*” means, with respect to any fiscal period, funds set aside or amounts allocated during such period to reserves in amounts deemed sufficient by Manager, in its sole discretion, for working and other capital purposes and to pay taxes, insurance, debt service and other costs and expenses incident to the Company’s business. All Reserves held by the Company shall be Working Capital Assets.

“*Super Majority Interest*” means, at any time, at least two-thirds (2/3rds) of the then outstanding Units held by Members.

“*Unit Holder*” means a Person who is a Member or who holds an Economic Interest but is not a Member.

“*Units*” means the Units issued to any Member or Unit Holder under this Agreement as reflected in attached Schedule 1, as amended from time to time.

“*Working Capital Assets*” means amounts held continuously in cash, cash equivalents, or debt instruments with a term of 18 months or less.

## ARTICLE 2 – FORMATION OF COMPANY

2.1 Formation. The Company was formed on February 4, 2019, when the Certificate of Formation was filed with the office of the Secretary of State in accordance with the requirements of the Act.

2.2 Name. The name of the Company is Jack-QOZB LLC.

2.3 Principal Place of Business. The Company's principal place of business shall initially be 816 Second Avenue, Suite 300, Seattle, Washington 98104. The Company may locate its places of business at any other place or places as Manager may from time to time deem advisable.

2.4 Registered Office and Registered Agent. The Company's initial registered agent is ACB Services LLC, a Washington limited liability company, and the address of its initial registered office is c/o Alston, Courtnage & Bassetti LLP, 1420 Fifth Avenue, Suite 3650, Seattle, Washington 98101-4011. The registered office and registered agent may be changed by Manager from time to time by filing an amendment to the Certificate of Formation.

2.5 Term. The term of the Company shall commence upon the filing of the Certificate of Formation and shall have a perpetual existence, unless the Company is sooner dissolved under Article 14 or the Act.

## ARTICLE 3 – BUSINESS OF COMPANY

3.1 Project. The Company is organized to (i) qualify as a QOZB, (ii) invest in QOZ Business Property, and (iii) undertake and manage the Project and engage in the following activities (a) acquire, own, demolish, hold, finance, develop, improve, manage, lease, mortgage, refinance, exchange, convey, sell, lease, assign or otherwise dispose of all, or any part of, the Property in connection with the Project, and in connection therewith, to accept, collect, hold, sell, exchange, mortgage or otherwise dispose of evidences of indebtedness or other property received pursuant thereto; and (b) conduct all activities necessary, incidental or desirable to accomplish the foregoing. Notwithstanding anything herein to the contrary, the Company shall not own (directly or indirectly) any Entity (other than an Entity that is a disregarded entity for federal income tax purposes) and shall not (directly or indirectly) own any Entity or property that operates or is used for the operation of a private or commercial golf course, a country club, a massage parlor, a hot tub facility, a suntan facility, a racetrack, a gambling establishment, a store whose principal business is the sale of alcohol for off-premises consumption, or any other use or business prohibited by the QOZ Program or QOZ Regulations.

3.2 Development Plan. Contemporaneously with the execution and delivery of this Agreement, the QOF Members have each approved the initial Development Plan ("*Initial Development Plan*"), a copy of which is attached hereto as Exhibit A (together with each other written plan and schedule for the expenditure of Working Capital Assets, collectively, the "*Development Plan*"). The Development Plan, includes, but is not limited to, the business plan related to the construction and operation of the Project, the proposed development budget and the proposed construction schedule for the Project (the "*Construction Schedule*"). The Company shall use commercially reasonable efforts to cause the Project to be constructed in accordance with the

Development Plan and the Construction Schedule. The Members acknowledge that the Company intends to acquire, construct and redevelop the Property substantially in accordance with the Development Plan to the extent required to comply with the safe harbor for reasonable amount of working capital described in proposed Regulation §1.1400Z-2(d)-1(d)(5)(iv). The Initial Business Plan shall be adopted prior to the first date set forth in Code Section 1400Z-2(d)(1) following the first investment in the Company by S-BG QOF or STUD QOF intended to qualify a QOZ Partnership Interest within the meaning of Code Section 1400Z-2(d)(2)(C) or such later date as permitted under applicable Treasury Regulations. Notwithstanding the foregoing, in no event shall Manager, UV 316, the Company or any of their respective Affiliates be liable for any claims or damages suffered by any QOF Member as a result of the Company's failure to complete the Project in accordance with the Development Plan and the Construction Schedule including without limitation the failure to receive any tax benefits under the QOZ Program or QOZ Regulations.

#### ARTICLE 4 – UNIT HOLDER INFORMATION

The names and addresses of the Unit Holders are set forth on attached Schedule 1, as amended from time to time.

#### ARTICLE 5 – MANAGERS; RIGHTS AND DUTIES

5.1 Management. The business and affairs of the Company shall be managed by the Manager. Subject to Section 6.5 below, the Manager shall have full and complete authority, power and discretion to manage and control the business, affairs and properties of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the management of the Company's business. At any time when there is more than one Manager, any one Manager may take any action permitted to be taken by a Manager. Without limiting the generality of the foregoing, subject to Section 6.5 below, each Manager shall have power and authority, on behalf of the Company:

(a) to spend the capital and revenues of the Company in the furtherance of the business of the Company;

(b) to acquire, hold, manage, improve, subdivide, operate, lease, sell, transfer, exchange, encumber, dispose of or otherwise deal with any of the Company's real or personal property;

(c) to cause the Company to reimburse Manager for out-of-pocket expenses actually incurred by Manager in connection with the organization of the Company;

(d) to employ and dismiss from employment any and all employees, agents, independent contractors, attorneys and accountants, including Affiliates of Manager;

(e) to enter into such agreements, contracts and similar arrangements as Manager deems necessary or appropriate to accomplish the purposes of the Company;

(f) to borrow money on a secured or unsecured basis from individuals, banks and other lending institutions in order to finance or refinance Company assets, to meet other Company obligations, to provide Company working capital and for any other Company purposes;

to execute promissory notes, deeds of trust and assignments of Company property and such other security instruments as a lender of funds may require to secure repayment of such borrowing; to change, substitute, or amend such borrowing as, in its judgment, is in the best interest of the Company, and to execute any and all documents that may be required by the bank or other financial institution or other source to establish an escrow, trust agreement, or trust account with the bank, institution or other source for the receipt of funds, sale proceeds and other payments and the disbursements thereof to service such loan(s);

(g) to loan monies, or allow any Affiliate of Manager to loan monies, to the Company for use by the Company in its operations, the aggregate amount of which shall become an obligation of the Company to Manager or such Affiliate, and shall be repaid with interest at an annual rate equal to the Prime Rate plus two percent (2%), out of gross receipts of the Company before any cash distributions to the Members with no prepayment charge or penalty permitted on such a loan, and such amounts shall constitute a loan by Manager or the Affiliate to the Company and not a Capital Contribution; provided, however, that prior to making such a loan, Manager shall allow all Members to make a loan to the Company on the same terms and conditions as set forth herein;

(h) to purchase at the expense of the Company, such liability, casualty, property, and other insurance as Manager, in its sole discretion, deems advisable to protect the Company's assets against loss or claims of any nature; provided, however, that Manager shall not be liable to the Company or to other Members for failure to purchase any insurance or if coverage should prove inadequate;

(i) to the extent that funds of the Company are, in Manager's judgment, not required for the conduct of the Company's business, to temporarily invest the excess funds;

(j) to sue and be sued, complain, defend, settle or compromise with respect to any claim in favor of or against the Company, in the name and on behalf of the Company;

(k) to prosecute and protect and defend or cause to be protected and defended all patents, patent rights, trade names, trademarks and service marks, and all applications with respect thereto that may be held by the Company;

(l) to enter into, execute, amend, supplement, acknowledge and deliver any and all contracts, agreements, licenses or other instruments necessary, proper or desirable to carry out the purposes of the Company;

(m) to determine that any cash receipts of the Company shall be added to Distributable Cash;

(n) to exercise options granted to the Company; and

(o) to amend this Agreement to comply with: (i) new QOZ Regulations and/or (ii) new interpretations of existing QOZ Regulations. For the avoidance of doubt, there shall be no obligation or standard of care imposed upon Manager to maximize tax benefits on behalf of the Company or the Members under the QOZ Regulations in any manner whatsoever, including, but not limited to, any decisions related to acquiring, holding, managing, improving, subdividing,

operating, leasing, selling, transferring, exchanging, encumbering, disposing of or otherwise dealing with any of the Company's real or personal property to maximize tax benefits under the QOZ Regulations.

Unless authorized to do so by this Agreement or by Manager, no Member, employee or other agent of the Company shall have any power or authority to bind the Company in any way, to pledge its credit or to render it liable for any purpose.

5.2 Payment of Salary and Expenses. The Manager shall not be paid a salary for managing the Company. The Manager, at the expense of the Company may hire at a reasonable annual fee a party to provide administrative assistance to the Company. The Company shall pay all of its expenses of operation, which expenses may be either billed directly to the Company or billed to, and paid by, the Manager or an Affiliate of the Manager and reimbursed to the payor by the Company. The Company shall also pay or reimburse the Manager or an Affiliate of the Manager for all expenses incurred in connection with the organization of the Company and the sale of interests in the Company. These expenses may include, but are not limited to, legal, accounting, financing and other professional fees and costs, however, the legal, accounting, financing and other professional fees and costs incurred by Members in connection with the purchase of an interest in the Company shall be borne solely by that Member.

5.3 Limitation on Liability; Indemnification. Neither Manager nor any Affiliate of Manager shall be liable, responsible or accountable in damages or otherwise to the Company or the Members for any act or omission by any such Person performed in good faith pursuant to the authority granted to such Person by this Agreement or in accordance with its provisions, and in a manner reasonably believed by such Person to be within the scope of the authority granted to such Person and in the best interest of the Company; provided that such act or omission did not constitute fraud, misconduct, bad faith or negligence. The Company shall indemnify and hold harmless Manager, and each director, officer, partner, member, manager, employee or agent thereof, against any liability, loss, damage, cost or expense incurred by them on behalf of the Company or in furtherance of the Company's interests without relieving any such Person of liability for fraud, misconduct, bad faith or negligence. No Member shall have any personal liability with respect to the satisfaction of any required indemnification of the above-mentioned Persons. Any indemnification required to be made by the Company shall be made promptly following the fixing of the liability, loss, damage, cost or expense incurred or suffered by a final judgment of any court, settlement, contract or otherwise. In addition, the Company may advance funds to a Person claiming indemnification under this Section 5.3 for legal expenses and other costs incurred as a result of a legal action brought against such Person only if (a) the legal action relates to the performance of duties or services by the Person on behalf of the Company, (b) the legal action is initiated by a party other than a Member, and (c) such Person undertakes to repay the advanced funds to the Company if it is determined that such Person is not entitled to indemnification pursuant to the terms of this Agreement.

5.4 Removal. A Manager may be removed upon the vote of the Members holding a Super Majority Interest. Notwithstanding the foregoing, so long as Gregory B. Smith ("*Smith*") of or one of his Affiliates is the Manager, the Manager may only be removed for gross negligence.

5.5 Vacancies. If a Manager dies or resigns or is removed, the Members may, by the affirmative vote of Members holding a Majority Interest, elect to fill the vacancy.

5.6 Right to Rely on Manager. Any Person dealing with the Company may rely (without duty of further inquiry) upon a certificate signed by any Manager as to the identity and authority of any Manager or other Person to act on behalf of the Company or any Member.

5.7 Compensation and Affiliation Disclosure.

(a) Affiliation Disclosure. All Members by signing hereunder acknowledge that Smith holds a controlling interest in UV 316, Manager and Gregory Broderick Smith Real Estate, Inc., a Washington corporation, d/b/a Urban Visions (“*Urban Visions*”). The Members agree that the Company may, from time to time, engage the Manager and/or its Affiliates to provide professional services and that the Manager and/or its Affiliates may retain such fees or other consideration for their respective services, and such fees or consideration shall not become property of the Company, so long as such fees or consideration is at a market rate, is paid in an arms-length transaction, and does not increase the cost to the Company of the professional services being provided to an above market cost. Further, the Members acknowledge that Manager and its Affiliates maintain relationships and contacts with other professionals providing services to the real estate industry, such as mortgage brokers, contractors and managers. Such professional service providers may, from time to time, pay a referral fee or provide other consideration to a broker, manager, or principal in return for the retention of such service provider to provide services to the Property. The Members agree that the Manager and/or its Affiliates may retain such referral fee or other consideration, and such fee or consideration shall not become property of the Company, so long as such fee or consideration is at a market rate, is paid in an arms-length transaction, and does not increase the cost to the Company of the professional services being provided to an above market cost.

(b) Property Management Fee. Except as otherwise provided in agreements to which the Company is now or becomes a party: (i) the Company shall pay to Manager or an Affiliate of Manager a market rate property management fee of up to five percent (5%) per annum of the gross revenues from the applicable Property, and (ii) Manager shall have sole discretion in determining said affiliated entity. This fee shall be paid monthly to Manager or its designated Affiliate. If the Manager or its designated Affiliate is unable or unwilling to manage a given Property engages the services of a property manager pursuant to a written property management agreement to manage the operation and maintenance of such Property, no property management fee shall be paid to Manager or its designated Affiliate with respect to such Property. The duties of property management imposed on Manager under this Agreement include: leasing all residential and commercial space at the subject Property; collecting all rent and other payments due under leases from the subject Property; paying all operating expenses and contracting for all capital improvements and replacements regarding the subject Property, subject to the limitations contained herein; coordinating ordinary and extraordinary maintenance and repair, subject to the limitations set forth in this Agreement; and securing adequate casualty and liability insurance for the subject Property.

(c) Disposition and Financing Fees. In addition to the annual property management fee described in the preceding paragraph, the Company shall pay to Manager, or an

Affiliate of Manager, an asset disposition fee at current market rates (but in no event less than 1/4 percent (0.25%) of the gross sale price of the subject Property) payable upon the closing of the sale of the subject Property, and a debt placement fee at current market rates (but in no event less than 1/4 percent (0.25%) of the gross loan amount of any mortgage debt being placed on the subject Property) upon the funding of such mortgage debt to the Company.

(d) Project Management Fee. The Company additionally shall pay to Manager or its designated Affiliate a project management fee at current market rates (but in no event less than three percent (3%) of total hard and soft costs (*i.e.*, total project costs *less* land value)) for services that include project design consulting and the day to day management of the development phase of the Property. This fee shall be payable in monthly installments during the development of the Property.

(e) Asset Management Fee. At any time that the Company has engaged a third party property manager that is not an Affiliate of Manager, the Company shall engage the Manager or its designated Affiliate to act as asset manager and shall pay a market rate asset management fee to the Manager or its designated Affiliate (but in no event less than one percent (1%) per annum of the gross revenues from the Property). No asset management fee shall be payable to Manager or its Affiliates during any period that Manager or an Affiliate of Manager is receiving a property management fee under Section 5.7(b) above.

## ARTICLE 6 – RIGHTS AND OBLIGATIONS OF MEMBERS

6.1 Limitation of Liability. Each Member's liability shall be limited as set forth in this Agreement and the Act.

6.2 Liability for Company Obligations. No Member shall be personally liable for any debts, obligations or liabilities of the Company beyond its respective Capital Contributions and any obligation of the Members under Section 8.1 to make Capital Contributions, except as otherwise provided by law.

6.3 Inspection of Records. Upon reasonable request, each Member shall have the right to inspect, and copy at such Member's expense, during ordinary business hours the records required to be maintained by the Company pursuant to Section 11.4.

6.4 No Priority and Return of Capital. No Unit Holder shall have priority over any other Unit Holder, either as to the return of Capital Contributions or as to Net Profits, Net Losses or distributions; provided, that this Section 6.4 shall not apply to loans made by a Member to the Company.

6.5 Major Decisions. Notwithstanding Section 5.1 or any other provision of this Agreement to the contrary, neither Manager nor the Company shall take any of the following actions without the affirmative vote of the Members holding a Majority Interest:

(a) Sale; Leasing; Dispose of Assets. Cause or permit the sale, lease, exchange or other disposition of all or any portion of any Property or other assets of the Company;

(b) Borrow Money. Borrow such amount which, when combined with other loans to the Company then outstanding, will cause the Company's indebtedness to exceed eighty percent (80%) of the value of its real property; and

(c) Acquisitions. Acquire additional real property.

#### 6.6 Dissociation and Withdrawal of Member.

(a) No Withdrawal Rights. A Member may not withdraw as a Member prior to dissolution and commencement of winding up of the Company pursuant to Article 14 without the written consent of Members holding a Majority Interest.

(b) Dissociation Events. A Person shall cease to be a Member upon the occurrence of one or more of the following events:

(i) The Person withdraws by voluntary act from the Company in the manner provided in this Section 6.6(a);

(ii) The Person ceases to be a Member as provided under the Act and Section 12.3(b) following an assignment of all the Person's Economic Interest; or

(iii) Unless Members holding a Majority Interest (excluding the Units of such Person) agree in writing that such Person's status as a Member shall not be terminated:

(A) the Person (1) makes a general assignment for the benefit of creditors; (2) files a voluntary petition in bankruptcy; (3) becomes the subject of an order for relief in bankruptcy proceedings; (4) files a petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation; (5) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of the nature described in clauses (1) through (4) above; or (6) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of such Person's properties;

(B) one-hundred-twenty days (120) after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, the proceeding has not been dismissed, or if within ninety (90) days after the appointment, without such Person's consent or acquiescence, of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any stay, the appointment is not vacated;

(C) in the case of a Person who is an individual, the entry of an order by a court of competent jurisdiction adjudicating the Person incompetent to manage his or her person or estate;

(D) in the case of a Person that is another limited liability company, the dissolution and commencement of winding up of such Person;

(E) in the case of a Person that is a corporation, the filing of articles of dissolution or the equivalent for the corporation or the administrative dissolution of the corporation and the lapse of any period authorized for application for reinstatement; or

(F) in the case of a Person that is a partnership, the dissolution and commencement of winding up of such Person.

#### 6.7 Financing.

(a) Required Guarantors. If any lender providing a loan to the Company on either a secured or unsecured basis requires a guaranty from a Member any principal or Affiliate (each a “*Required Guarantor*”), then each Required Guarantor shall execute and deliver a guaranty on such terms and conditions as may be required by such lender. No fee or compensation shall be paid to any Required Guarantor for providing such guaranty. If a Required Guarantor refuses or fails to provide a required personal guaranty (a “*Defaulting Guarantor*”), then the remaining Members may (but shall have no obligation to) purchase the Units owned by the Defaulting Guarantor or its Affiliate (as applicable) in the order and manner set forth in Section 12.3(d). The purchase price to be paid to the Defaulting Guarantor or its Affiliate shall be an amount equal to the seventy percent (70%) of the value of the interest of the Defaulting Guarantor or its Affiliate (as applicable) determined in the order and manner set forth in Section 12.3(d). The purchase price to be paid by the remaining Member’s promissory note bearing interest at the Prime Rate at the time of closing and requiring one hundred twenty (120) substantially equal monthly installments of principal and accrued interest in an amount necessary to fully amortize the original principal balance of the note over a ten (10) year term commencing on the first day of the month immediately following closing and continuing on the first day of each month thereafter until maturity, at which time the entire unpaid balance shall be paid in full. The maker may prepay the note in full or in part and from time to time without penalty. In the event of a default, the holder may accelerate the entire unpaid balance.

(b) Contribution. If any Required Guarantor (each a “*Guarantor*”) makes any payment to a lender in respect of any loan to the Company (the “*Indebtedness*”), then the Guarantor shall be entitled to contribution from all other Members for all payments, damages, and expenses incurred by Guarantor in discharging, in whole or in part, the obligations owed to such lender by Guarantor with respect to the Indebtedness. Notwithstanding the foregoing, the contribution obligations under this Section 6.7(b) shall be in addition to, and not in replacement of, any obligation of any Member to make capital contributions to the Company pursuant to the Section 8.1 below. If the Guarantor makes any payment in respect of the Indebtedness (each a “*Guaranty Payment*”), then the Guarantor shall have a right of contribution against each Member in an amount equal to such Member’s Percentage Interest multiplied by the Guaranty Payment. The Guarantor’s right of contribution, if any, pursuant to the preceding sentence in respect of any Guaranty Payment made by it shall arise automatically at the time such Guaranty Payment is made, subject to adjustment at the time Guarantor makes any subsequent Guaranty Payment.

### ARTICLE 7 – MEETINGS OF MEMBERS

7.1 Meetings. A meeting of the Members may be called by Manager or by Members holding at least ten percent (10%) of the Units held by Members for any purpose or purposes.

7.2 Place of Meetings. The Manager may designate any place, either within or outside the State of Washington, as the place of meeting for any meeting of the Members. If no designation is made, the place of meeting shall be the principal office of the Company specified in Section 2.3.

7.3 Notice of Meetings. Written notice stating the place, day and hour, and the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either personally or by mail, by or at the direction of Manager or the Members calling the meeting, to each Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States Mail, addressed to the Member as specified in Section 16.1, with postage thereon prepaid.

7.4 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any distribution, the date on which notice of the meeting is mailed or the date on which the resolution declaring such distribution is adopted, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

7.5 Quorum. A Majority Interest represented in person or by proxy shall constitute a quorum at any meeting of Members. In the absence of a quorum at any such meeting, a majority of Units held by Members so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal during such meeting of that number of Units whose absence would cause less than a quorum.

7.6 Manner of Acting. If a quorum is present, the affirmative vote of Members holding more than two-thirds (2/3) of the Units represented at the meeting in person or by proxy shall be the act of the Members, unless the vote of a greater or lesser percentage is required by this Agreement or the Act.

7.7 Proxies.

(a) In General. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member. Such proxy shall be filed with Manager before or at the time of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

(b) Jack-BG QOF Proxy. Jack-BG QOF hereby makes, constitutes and appoints Smith, so long as he is alive and holds direct or indirect membership interest in the Company, Jack-BG QOF's proxy, with full power of substitution as Jack-BG QOF's true and lawful agent and

attorney-in-fact, with full power and authority in its name, place and stead to vote on all matters with respect to which Jack-BG QOF's vote is required or permitted hereunder. The foregoing proxy and power of attorney is hereby declared to be irrevocable and a power coupled with an interest and it shall survive the death, incompetency, dissolution or termination of Jack-BG QOF and shall extend to Jack-BG QOF's heirs, successors and assigns.

7.8 Action by Members Without a Meeting. Action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more written consents describing the action taken, executed by Members entitled to vote thereon and delivered to Manager for inclusion in the Company's minutes. Action taken under this Section 7.8 is effective when all Members entitled to vote thereon have signed such consents, unless such consents specify a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs such a consent.

7.9 Waiver of Notice. When any notice is required to be given to a Member, a waiver thereof in writing signed by the Member entitled to such notice, whether before, at, or after the time stated therein, shall be equivalent to the giving of such notice.

## ARTICLE 8 – CONTRIBUTIONS TO THE COMPANY AND CAPITAL ACCOUNTS

### 8.1 Members' Capital Contributions.

(a) Initial Capital Contributions. As of the Effective Date, each Unit Holder has contributed cash in such amount or property of an agreed value as is set forth in attached Schedule 1 as such Unit Holder's Capital Contribution.

(b) Additional Capital Contributions. The Unit Holders may be required to make Additional Capital Contributions to the Company if the Manager determines that such Additional Capital Contributions are necessary to enable the Company to meet its expenses and are in the best interest of the Company. In such event, each Unit Holder shall be required to contribute its share of the specified Additional Capital Contribution on a pro rata basis in accordance with its respective Percentage Interest. The Manager shall give written notice to each Unit Holder of the amount of any requested Additional Capital Contribution, and each Unit Holder electing to make such contribution shall pay to the Company such Additional Capital Contribution no later than thirty (30) days following the date such notice is given. Nothing contained in this Section 8.1 is or shall be deemed to be for the benefit of any Person other than the Unit Holders and the Company, and no other Person shall under any circumstances have any right to compel any actions or payments by the Manager or the Unit Holders.

(c) Failure To Make Additional Capital Contributions. If a Unit Holder fails to make an Additional Capital Contribution when required (each a "*Non-Contributing Unit Holder*"), then the other Unit Holders (the "*Contributing Unit Holders*") may elect one (1) of the following remedies by the affirmative vote of a Majority Interest of the Contributing Unit Holders:

(i) Dilution. Each Contributing Unit Holder that makes an Additional Capital Contribution shall have its Percentage Interest increased, and each Non-Contributing Unit Holder shall have its Percentage Interest diluted accordingly. All Unit Holders shall, at the request of the Manager, execute and deliver such amendments to this Agreement and, if necessary or

appropriate, the Certificate of Formation, as the Manager may reasonably request to reflect the adjustments pursuant to this Section 8.1(c)(i).

(ii) Default Loan. The Contributing Unit Holders shall have the right to make a loan in the amount of the Non-Contributing Unit Holder's required Additional Capital Contribution as a personal loan to the Non-Contributing Unit Holder (the "*Default Loan*"). The Default Loan shall be a demand loan bearing interest at a per annum rate equal to the greater of either of either (A) twelve percent (12%), or (B) the then-current Prime Rate plus two percent (2%). Notwithstanding anything to the contrary contained herein, any Distributable Cash otherwise payable to a Non-Contributing Unit Holder pursuant to Section 10.1 or Section 14.3 shall be applied in repayment of any outstanding Default Loans, to be applied first to interest and other expenses, and thereafter to the outstanding principal balance. If the Contributing Unit Holders elect to make a Default Loan, each of the Contributing Unit Holders shall contribute a pro rata share (based on their respective Percentage Interests) to fund the Default Loan. The Contributing Unit Holders shall contribute their share of the Default Loan within ten (10) days after notice from the Manager requesting funds to fund the Default Loan.

(iii) Buyout. The Contributing Unit Holders may elect to purchase the Units of the Non-Contributing Unit Holder in the order and manner set forth in Section 12.2(a). The Manager shall give notice of the Default to the Contributing Unit Holders and of their right to exercise the purchase rights as set forth in Section 12.2(a). The Non-Contributing Unit Holder shall have been deemed to have made an offer to sell his or her Units at a price determined to be the lesser of (A) the sum of all Capital Contributions of the Non-Contributing Unit Holder or (B) an amount equal to the seventy percent (70%) of the value of the interest of the Non-Contributing Unit Holder determined in the order and manner set forth in Section 12.3(d). The purchase price to be paid by the Contributing Unit Holder's promissory note bearing interest at the Prime Rate at the time of closing and requiring one hundred twenty (120) substantially equal monthly installments of principal and accrued interest in an amount necessary to fully amortize the original principal balance of the note over a ten (10) year term commencing on the first day of the month immediately following closing and continuing on the first day of each month thereafter until maturity, at which time the entire unpaid balance shall be paid in full. The maker may prepay the note in full or in part and from time to time without penalty. In the event of a default, the holder may accelerate the entire unpaid balance.

## 8.2 Capital Accounts.

(a) Establishment and Maintenance. A separate Capital Account will be maintained for each Unit Holder throughout the term of the Company in accordance with the rules of Regulation Section 1.704-1(b)(2)(iv). Each Unit Holder's Capital Account will be increased by (i) the amount of money contributed by such Unit Holder to the Company; (ii) the fair market value of property contributed by such Unit Holder to the Company (net of liabilities secured by such contributed property that the Company is considered to assume or take the property subject to under Code Section 752); (iii) allocations to such Unit Holder of Net Profits; (iv) any items in the nature of income and gain that are specially allocated to the Unit Holder pursuant to Section 9.2; and (v) allocations to such Unit Holder of income and gain exempt from federal income tax. Each Unit Holder's Capital Account will be decreased by (1) the amount of money distributed to such Unit Holder by the Company; (2) the fair market value of property distributed

to such Unit Holder by the Company (net of liabilities secured by such distributed property that such Unit Holder is considered to assume or take the property subject to Code Section 752); (3) allocations to such Unit Holder of expenditures described in Code Section 705(a)(2)(B); (4) any items in the nature of deduction and loss that are specially allocated to the Unit Holder pursuant to Section 9.2; and (5) allocations to such Unit Holder of Net Losses. In the event of a permitted sale or exchange of a Membership Interest or an Economic Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee to the extent it relates to the transferred Membership Interest or Economic Interest.

(b) Compliance with Regulations. The manner in which Capital Accounts are to be maintained pursuant to this Section 8.2 is intended to comply with the requirements of Code Section 704(b) and the Regulations promulgated thereunder. If in the opinion of the Company's legal counsel or accountants the manner in which Capital Accounts are to be maintained pursuant to the preceding provisions of this Section 8.2 should be modified in order to comply with Code Section 704(b) and the Regulations thereunder, then notwithstanding anything to the contrary contained in the preceding provisions of this Section 8.2, the method in which Capital Accounts are maintained shall be so modified; provided, however, that any change in the manner of maintaining Capital Accounts shall not materially alter the economic agreement between or among the Members.

8.3 Withdrawal or Reduction of Members' Contributions to Capital. A Member shall not receive out of the Company's property any part of its Capital Contribution until all liabilities of the Company, except liabilities to Members on account of their Capital Contributions, have been paid or there remains property of the Company sufficient to pay them. A Member, irrespective of the nature of its Capital Contribution, has only the right to demand and receive cash in return for its Capital Contribution.

## ARTICLE 9 – ALLOCATIONS OF NET PROFITS AND LOSSES

### 9.1 Allocation of Net Profits and Losses.

(a) Allocation of Net Losses. Except as provided in this Article 9 and in Section 14.2 below, the Company shall allocate Net Losses to the Unit Holders as follows:

(i) First, to the Unit Holders in proportion to their positive Capital Account balances, and

(ii) Thereafter, to the Unit Holders in accordance with their respective Percentage Interests.

(b) Allocation of Net Profits. Except as provided in this Article 9 and in Section 14.2 below, the Company shall allocate Net Profits to the Unit Holders as follows:

(i) First, to Unit Holders in proportion and to the extent of Losses allocated to the Unit Holders under Section 9.1(a)(ii);

(ii) Second, to Unit Holders in proportion and to the extent of Losses allocated to the Unit Holders under Section 9.1(a)(i);

(iii) Third, to the Unit Holders in proportion to the aggregate distributions to such Unit Holders under Sections 10.1 below in the current year and in all prior years until such time as each Unit Holder has been allocated Net Profits under this Section 9.1(b)(i) in an amount equal to the excess of (A) the total amount of all distributions to such Unit Holder under Sections 10.1 for the current year and all prior years, over (B) the amount of Net Profits previously allocated to such Unit Holder under this Section 9.1(b)(i); and

(iv) Thereafter, to the Unit Holders in accordance with their respective Percentage Interests.

## 9.2 Other Allocation Rules.

(a) General. Except as otherwise provided in this Agreement, all items of Company income, gain, loss, deduction, and any other allocations not otherwise provided for shall be divided among the Unit Holders in the same proportions as they share Net Profits or Net Losses, as the case may be, for the year. If the Capital Account value of an asset differs from its adjusted tax basis because it was contributed to the Company at a time when its fair market value differed from its adjusted tax basis, or because the Company has elected to restate its book value pursuant to Section 9.3(b)(ii) of this Agreement, then any tax income, deduction, gain, or loss will be allocated first between the Members so as to account for the variation between the adjusted tax basis and the Capital Account value of the asset at the time of contribution or revaluation, in accordance with Section 704(c) of the Code and paragraph (b)(2)(iv)(b) of Section 1.704-1 of the Regulations.

(b) Allocation of Recapture Items. In making any allocation among the Unit Holders of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those Unit Holders who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in proportion to the amount of such cost recovery deductions or other deductions previously allocated to them.

(c) Allocations in Connection with Varying Interests. If, during a Company fiscal year, there is (i) a permitted transfer of a Membership Interest or Economic Interest under this Agreement during a Company fiscal year, or (ii) the admission of a Member or additional Members, Net Profit, Net Loss, each item thereof, and all other tax items of the Company for such period shall be divided and allocated among the Unit Holders by taking into account their varying interests during such fiscal year in accordance with Code Section 706(d) and using any conventions permitted by law and selected by Manager.

## 9.3 Determination of Net Profit or Loss.

(a) Computation of Net Profit or Loss. The Net Profit or Net Loss of the Company, for each fiscal year or other period, shall be an amount equal to the Company's taxable income or loss for such period, determined in accordance with Code Section 703(a) (and, for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to

Code Section 703(a)(1), including income and gain exempt from federal income tax, shall be included in taxable income or loss).

(b) Adjustments to Net Profit or Loss. For purposes of computing taxable income or loss on the disposition of an item of Company property or for purposes of determining the cost recovery, depreciation, or amortization deduction with respect to any property, the Company shall use such property's book value determined in accordance with Regulation Section 1.704-1(b). Consequently, each property's book value shall be equal to its adjusted basis for federal income tax purposes, except as follows:

(i) The initial book value of any property contributed by a Member to the Company shall be the gross fair market value of such property at the time of contribution;

(ii) In the discretion of the Members holding at least two-thirds (2/3) of the Units held by Members, the book value of all Company properties may be adjusted to equal their respective gross fair market values, as determined by Manager as of the following times: (A) in connection with the acquisition of an interest in the Company by a new or existing Member for more than a de minimis capital contribution, (B) in connection with the liquidation of the Company as defined in Regulation Section 1.704-(1)(b)(2)(ii)(g), or (C) in connection with a more than de minimis distribution to a retiring or a continuing Unit Holder as consideration for all or a portion of his or its interest in the Company. In the event of a revaluation of any Company assets hereunder, the Capital Accounts of the Unit Holders shall be adjusted, including continuing adjustments for depreciation, to the extent provided in Regulation Section 1.704-(1)(b)(2)(iv)(f); and

(iii) If the book value of an item of Company property has been determined pursuant to this Section 9.3(b), such book value shall thereafter be used, and shall thereafter be adjusted by depreciation or amortization, if any, taken into account with respect to such property, for purposes of computing taxable income or loss.

9.4 Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during any Company fiscal year, each Unit Holder shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Unit Holder's share of the net decrease in Company Minimum Gain, determined in accordance with Regulation Sections 1.704-2(f) and 1.704-2(g)(2). The items to be so allocated, and the manner in which those items are to be allocated among the Unit Holders, shall be determined in accordance with Regulation Sections 1.704-2(f) and 1.704-2(j)(2). This Section 9.4 is intended to satisfy the minimum gain chargeback requirement in Regulation Section 1.704-2(f) and shall be interpreted and applied accordingly. If there is a net decrease in Member Minimum Gain during any Company fiscal year, each Unit Holder who has a share of that Member Minimum Gain, determined in accordance with Regulation Section 1.704-2(i)(5), shall be specially allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Unit Holder's share of the net decrease in Member Minimum Gain, determined in accordance with Regulation Sections 1.704-2(i)(4) and 1.704-2(i)(5). The items to be so allocated, and the manner in which those items are to be allocated among the Unit Holders, shall be determined in accordance with Regulation Sections 1.704-2(h) and 1.704-2(j)(2). This Section 9.4 is intended to satisfy the minimum gain chargeback requirement in Regulation Section 1.704-2(i)(4) and shall be interpreted and applied accordingly.

## ARTICLE 10 – DISTRIBUTIONS

### 10.1 Cash Distributions.

(a) Non-liquidating Distributions. Distributions of Distributable Cash, other than distributions in liquidation under Section 10.1(b), shall be made to the Unit Holders quarterly, within a reasonable time after the close of each calendar quarter to the Unit Holders pro rata in proportion to their Percentage Interests.

(b) Distributions in Liquidation. Notwithstanding Section 10.1(a), distributions in liquidation of the Company shall be made to each Unit Holder in the manner set forth in Section 14.3(c).

10.2 Distributions in Kind. Non-cash assets, if any, shall be distributed in a manner that reflects how cash proceeds from the sale of such assets for fair market value would have been distributed (after any unrealized gain or loss attributable to such non-cash assets has been allocated among the Unit Holders in accordance with Article 9).

10.3 Withholding; Amounts Withheld Treated as Distributions. The Manager is authorized to withhold from distributions, or with respect to allocations or payments, to Unit Holders and to pay over to the appropriate federal, state or local governmental authority any amounts required to be withheld pursuant to the Code or provisions of applicable state or local law. All amounts withheld pursuant to the preceding sentence in connection with any payment, distribution or allocation to any Unit Holder shall be treated as amounts distributed to such Unit Holder pursuant to this Article 10 for all purposes of this Agreement.

10.4 Limitation upon Distributions. No distribution shall be declared and paid unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company, except liabilities to Members on account of their contributions.

## ARTICLE 11 – ACCOUNTING, BOOKS, AND RECORDS

11.1 Accounting Principles. The Company's books and records shall be kept, and its income tax returns prepared, under such permissible method of accounting, consistently applied, as Manager determines is in the best interest of the Company and its Members.

11.2 Interest on and Return of Capital Contributions. No Member shall be entitled to interest on its Capital Contribution or to return of its Capital Contribution, except as otherwise specifically provided for herein.

11.3 Accounting Period. The Company's accounting period shall be the calendar year.

11.4 Company Records. At the expense of the Company, Manager shall maintain records and accounts of all operations and expenditures of the Company. At a minimum the Company shall keep at its principal place of business the following records:

(a) A current list and past list, setting forth the full name and last known mailing address of each Member, Economic Interest Owner and Manager;

- (b) A copy of the Certificate of Formation and all amendments thereto;
- (c) Copies of this Agreement and all amendments hereto;
- (d) Copies of the Company's federal, state, and local tax returns and reports, if any, for the three (3) most recent years;
- (e) Minutes of every meeting of the members and any written consents obtained from Members for actions taken by Members without a meeting; and
- (f) Copies of the Company's financial statements for the three (3) most recent years.

#### 11.5 Partnership Representative.

(a) The Company shall have a "*Partnership Representative*" (as such term is defined in Code Section 6223(a)). The Partnership Representative need not be a Member of the Company. If the Partnership Representative is not an individual, an individual through whom the Partnership Representative will exclusively act shall be designated (the "*Designated Individual*"). The Manager shall be the Partnership Representative and the Designated Individual shall be Gregory B. Smith.

(b) The person serving as the Partnership Representative is authorized and required to represent the Company (in accordance with direction provided by the Manager) in connection with all examinations of the Company by any federal, state or local taxing authority, including any resulting administrative and judicial proceedings, and to expend funds of the Company for professional services and costs associated therewith. The Partnership Representative shall keep the Manager reasonably informed of all audit activity or non-ministerial correspondence to and from taxing authorities pertinent to Company affairs. The Company shall pay and be responsible for all third-party costs and expenses incurred by the Partnership Representative in performing their respective duties.

(c) The Partnership Representative shall have the authority to take any and all actions under the provisions of subchapter C of Chapter 63 of the Code (and any successor rules thereto and any comparable provisions of state and local law) (collectively, the "*Revised Partnership Audit Rules*"), and shall have any powers necessary to perform fully in such capacity. In addition, the Partnership Representative shall have the authority to make any elections available under the Revised Partnership Audit Rules including, but not limited to, the election available under Code Section 6226. The Members shall provide such information (or, if applicable, certify as to filing tax returns) and take such actions as are reasonably requested by the Partnership Representative including (but not limited to) the filing of amended tax returns and the payment of any tax due in accordance with Code Section 6225(c)(2).

(d) If the Company incurs any liability for income taxes, interest or penalties as a result of any audit of the Company by any federal, state or local taxing authority, including any resulting administrative and judicial proceedings (a "*Company Level Tax*"), the Manager may, in his reasonable discretion, (i) have the Company bear the Company Level Tax or (ii) allocate the Company Level Tax among the Persons who were Members of the Company during the taxable

year or years to which the Company Level Tax relates in which case such Members shall reimburse the Company for their respective share of such Company Level Tax.

(e) Notwithstanding anything to the contrary in this Section 11.5, each current and former Member (other than a Member acting in his, her, or its capacity as Partnership Representative) shall be solely responsible for any costs incurred by such Member with respect to any tax audit or tax-related administrative or judicial proceeding relating to the income tax liability of such Person as a result of being a Member of the Company, and such Person shall indemnify and hold harmless the Company and the other Members against any such costs.

(f) The obligations of a Member set forth in this Section 11.5 shall survive the Member ceasing to be a Member of the Company and/or the termination, dissolution, liquidation and winding up of the Company. All references to a Member in this Section 11.5 shall include Assignees who have not been admitted to the Company as a substituted Member.

11.6 Returns and Other Elections. The Manager shall cause the Company to provide such information to the QOF Members as may be required for those entities to comply with their annual reporting obligations on IRS Form 8996 (Qualified Opportunity Fund) or any successor form to be provided under Future Treasury Guidance for Qualified Opportunity Funds or QOZ Businesses. The Manager shall cause the preparation and timely filing of all tax and information returns required to be filed by the Company pursuant to the Code and all other tax and information returns deemed necessary and required in each jurisdiction in which the Company does business. Copies of such returns, or pertinent information therefrom, shall be furnished to the Unit Holders within a reasonable time after the end of the Company's fiscal year. Except as otherwise expressly provided to the contrary in this Agreement, all elections permitted to be made by the Company under federal or state laws shall be made by Manager in his or its sole discretion.

## ARTICLE 12 – TRANSFERABILITY

### 12.1 General.

(a) Restrictions. Except as otherwise expressly provided in this Agreement, no Unit Holder shall have the right to: (i) sell, assign, transfer, exchange or otherwise transfer for consideration, (collectively, “*sell*” or “*sale*”), or (ii) gift or otherwise transfer for no consideration whether or not by operation of law, except in the case of bankruptcy (collectively “*gift*”) all or any part of its Units and/or the Membership Interest or Economic Interest related thereto. Each Unit Holder hereby acknowledges the reasonableness of the restrictions on sale and gift of Membership Interests and Economic Interests imposed by this Section 12.1(a) in view of the Company's purposes and the relationship of the Unit Holders. Accordingly, the restrictions on sale and gift contained herein shall be specifically enforceable. In the event that any Unit Holder pledges or otherwise encumbers any of its Membership Interest or Economic Interest as security for repayment of a liability, any such pledge or hypothecation shall be made pursuant to a pledge or hypothecation agreement that requires the pledgee or secured party to be bound by all the terms and conditions of this Article 12.

(b) Permitted Transfers. Notwithstanding the foregoing a Unit Holder may engage in the following transfers with respect to all or any portion of its Units without breaching

any term of this Agreement, without constituting a resignation or withdrawal under Section 6.5, and without requiring the consent of the Manager or any other Member: (i) transfers upon the death of a Unit Holder to such deceased Unit Holder's heirs or devisees, (ii) transfers for no consideration to a Unit Holder's spouse, parent, child, or grandchild, and (iii) transfers for no consideration to an Entity which is owned or controlled by the Unit Holder and/or the Persons identified in subsection (ii) above. To the extent that the transferring Unit Holder was a Member, then any such transferee under this Section 12.1(b) shall be admitted to the Company as an additional Member.

## 12.2 First Refusal Rights.

(a) Except as otherwise provided in this Agreement, a Unit Holder desiring to sell all or any portion of its Units and/or the Membership Interest or Economic Interest related thereto to a third party purchaser shall obtain from such third party purchaser a bona fide written offer to purchase such interest, stating the terms and conditions upon which the purchase is to be made and the consideration offered therefore. Such Unit Holder shall give written notice to the other Unit Holders and Manager of its intention to so transfer such Interest. Such notice shall set forth the complete terms of the written offer to purchase and the name and address of the proposed third party purchaser.

(b) The other Unit Holders, shall, on a basis pro rata to their Units or on a basis pro rata to the Units of those remaining Unit Holders exercising their first refusal rights, have the first right to purchase all (but not less than all) of the Interests proposed to be sold by the selling Unit Holder upon the same terms and conditions stated in the notice given pursuant to Section 12.2(a) by giving written notice to the other Unit Holders and Manager within ten (10) days after such notice from the selling Unit Holder. The failure of a Unit Holder to so notify the other Unit Holders and Manager of its desire to exercise its first refusal rights within said ten (10) day period as required by this Section 12.2(b) shall result in the termination of such Unit Holder's first refusal rights.

Within ten (10) days after expiration of the ten (10) day period specified in the preceding paragraph, Manager shall notify those Unit Holders electing to exercise their first refusal rights of any Units that the other Unit Holders did not elect to purchase. Those Unit Holders exercising first refusal rights in accordance with the preceding paragraph shall then notify Manager and the other purchasing Unit Holders whether they elect to purchase such remaining Units, which shall be pro rata unless allocated in such other manner as the purchasing Unit Holders shall unanimously agree. If no such notification is received by Manager from any such Unit Holders in accordance with this paragraph, no Unit Holder shall have any further first refusal rights with respect to such Units.

If Unit Holders have elected to purchase all of the Units offered by the selling Unit Holder, the selling Unit Holder shall sell such Units upon the same terms and conditions specified in the notice required by Section 12.2(a), and the purchasing Unit Holders shall have the right to close the purchase within thirty (30) days after receipt of notification from Manager that such Unit Holders have elected to purchase the selling Unit Holder's Units.

If Unit Holders do not elect to purchase all of the Units offered by the selling Unit Holder in accordance with this Section 12.2, then the selling Unit Holder shall be entitled to sell such Units to the third party purchaser in accordance with the terms and conditions upon which the purchase is to be made as specified in the notice under Section 12.2(a). However, if such sale is not completed within sixty (60) days following expiration of the other Unit Holders' first refusal rights under this Section 12.2, then the selling Unit Holder shall not be entitled to complete the sale to such third party purchaser and the selling Unit Holder's Units shall continue to be subject to the rights of first refusal set forth in this Section 12.2 with respect to any proposed subsequent transfer.

(c) Upon the purchase or the gift of a Membership Interest or an Economic Interest, and as a condition to recognizing the effectiveness and binding nature of any sale or gift and (subject to Section 12.4, below) substitution of a Person as a new Unit Holder, Manager may require the transferring Unit Holder and the proposed purchaser, donee or successor-in-interest, as the case may be to execute, acknowledge and deliver to Manager such instruments of transfer, assignment and assumption and such other agreements and to perform all such other acts that Manager may deem necessary or desirable to:

- (i) constitute such Person as a Unit Holder;
- (ii) confirm that the Person desiring to become a Unit Holder, has accepted, assumed and agreed to be subject and bound by all of the terms, obligations and conditions of this Agreement (whether such Person is to be admitted as a new Member or will merely be an Economic Interest Owner);
- (iii) maintain the status of the Company as a partnership for federal tax purposes; and
- (iv) assure compliance with any applicable state and federal laws, including securities laws and regulations.

(d) Any sale or gift of a Membership Interest or Economic Interest or admission of a Member in compliance with this Article 12 shall be deemed effective as of the last day of the calendar month in which the remaining Members' consent thereto was given, or, if no such consent was required pursuant to Section 12.4, then on such date that the transferor and the transferee both comply with Section 12.2(c). The transferring Unit Holder hereby indemnifies the Company and Manager against any and all loss, damage, or expense (including, without limitation, tax liabilities or loss of tax benefits) arising directly or indirectly as a result of any transfer or purported transfer in violation of this Article 12.

### 12.3 Involuntary Transfers.

(a) If any of the triggering events listed below ("*Triggering Event*") occur as to any Member (the "*Subject Member*"), the Company will have the option, but not the obligation, subject to any required third-party approvals or consents, to thereafter purchase all of the Units owned by the Subject Member; provided, however that the Company shall at all times have no less than two (2) Members:

- (i) The Subject Member dies;
- (ii) A Subject Member who is an Entity is dissolved or otherwise ceases to exist;
- (iii) The Subject Member is adjudicated insolvent or bankrupt, either voluntarily or involuntarily;
- (iv) The Subject Member makes an assignment for the benefit of creditors;
- (v) The Subject Member's Units are subject to a writ of attachment or charging order;
- (vi) The appointment by a court of competent jurisdiction of a guardian of the property or a conservator for a Subject Member;
- (vii) The appointment by a court of competent jurisdiction of a receiver, rehabilitator, or liquidator for a Subject Member who is an Entity; and
- (viii) The execution of any property settlement agreement between the Subject Member and spouse, or the entry of any decree of divorce or separate maintenance by a court of competent jurisdiction, wherein the spouse is awarded any Units or a trust is imposed on said Units for the benefit of said spouse, then to the extent said Units are transferred, or to the extent said Units are subject to the imposition of any such trust or lien, there will be deemed a Triggering Event as to the Units so affected.

(b) If Units have been transferred to a revocable living trust pursuant to Section 12.1(b), a Triggering Event occurring to the Member who transferred the Units to the trust will be deemed the occurrence of a Triggering Event to the Member trust and will subject the Units held by the trust to purchase under this Section 12.3.

(c) When a Triggering Event occurs, the Subject Member or its duly appointed personal representative shall give the Manager and all other Members written notice of the occurrence of the event. Failure of the Subject Member or personal representative to give the notice shall not void or otherwise prejudice the Company's option to purchase specified in this Section 12.3.

(d) At any time after a Triggering Event occurs, the Company shall have the option, but not the obligation, subject to any required third-party approvals or consents, to thereafter purchase the Subject Member's Units upon written notice to the Subject Member or its personal representative, and if applicable, to any Person who has received or obtained an interest in the Subject Member's Units as a result of the Triggering Event ("*Transferee*") in accordance with the following procedures:

(i) Promptly following the determination of the Net Fair Market Value of the Property, the Company shall then calculate the amounts that would be distributable if an amount of funds equal to the Net Fair Market Value were to be distributed to the Company under the Project Company Agreement and then to the Unit Holders, to the extent available, in

accordance with Section 10.1(a) above. The purchase price for the Subject Member's Units shall be the Subject Member's share of such distributions.

(ii) The closing of the purchase of the Units pursuant to this Section 12.3 (the "*Closing*") shall occur on a date selected by the Company, but in no event later than ninety (90) days after final determination of Net Market Value of the Property (the "*Closing Date*"). At Closing, the Subject Member or Transferee (as applicable) shall execute and deliver to the Company an assignment transferring all right title and interest in and to all of the Subject Member's Units, free and clear of all liens, claims, and encumbrances.

#### 12.4 Transferee Not Member in Absence of Consent

(a) Except as provided in Section 12.1, if the transfer of a Member's Membership Interest or Economic Interest to a transferee or donee which is not a Member immediately prior to the sale or gift is not approved in writing by all of the other Members, in their sole discretion, then the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company or to become a Member. Such transferee or donee shall be merely an Economic Interest Owner.

(b) Promptly following any sale or gift of a Member's Economic Interest which does not at the same time transfer the balance of the rights associated with such Member's Membership Interest, the Company shall purchase from such Member, and such Member shall sell to the Company for a purchase price of \$100, all such remaining rights and interests retained by such Member which immediately prior to such sale or gift were associated with the transferred Economic Interest. The acquisition by the Company of such Member's rights shall not cause the dissolution of the Company and such Person shall no longer be a Member.

### ARTICLE 13 – ADDITIONAL MEMBERS

13.1 Admission. Additional Members may be added to the Agreement at such times and on such terms as shall be approved by an affirmative vote of the holders of a Majority Interest. Additional Members shall execute such documents as shall be required by Manager. Additional Members shall be required to execute a copy of this Agreement and acknowledge that such new Units are subject to the terms of this Agreement.

13.2 Restrictions on Additional Members. No additional Member shall be admitted to the Company if the admission of that Member would (a) jeopardize the status of the Company as a partnership for Federal income tax purposes, (b) cause a termination of the Company pursuant to the then-applicable provisions of the Act, (c) violate or cause the Company to violate any applicable Federal, state or local law, rule or regulation, including, but not limited to, any applicable Federal or state securities law, or (d) require the Company to register as an investment company under the Investment Company Act of 1940, as amended.

### ARTICLE 14 – DISSOLUTION AND TERMINATION

14.1 Dissolution. The Company shall be dissolved upon the occurrence of any of the following events: (a) by the written agreement of all Members; or (b) a Person ceases to be a Member upon the occurrence of any of the events specified in RCW 25.15.265, or any successor

provision, unless the business of the Company is continual with the consent of all of the remaining Members within ninety (90) days following the occurrence of such event.

14.2 Allocation of Net Profit and Loss in Liquidation. The allocation of Net Profit, Net Loss and other items of the Company following the date of dissolution, including but not limited to gain or loss upon the sale of all or substantially all of the Company's assets, shall be determined in accordance with the provisions of Articles 9 and 10 and shall be credited or charged to the Capital Accounts of the Unit Holders in the same manner as Net Profit, Net Loss, and other items of the Company would have been credited or charged if there were no dissolution and liquidation.

14.3 Winding Up, Liquidation and Distribution of Assets. Upon dissolution, Manager shall immediately proceed to wind up the affairs of the Company in accordance with RCW 25.15.269, unless the business of the Company is continued as provided in Section 14.1(b). The Manager shall sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent Manager may determine to distribute any assets to the Unit Holders in kind) and shall apply the proceeds of such sale and the remaining Company assets in the following order of priority:

(a) Payment of creditors, including Members and Manager who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company, other than liabilities for distributions to Members;

(b) Second, to establish Reserves that Manager deems reasonably necessary for contingent or unforeseen obligations of the Company and, at the expiration of such period as Manager shall deem advisable;

(c) Third, by the end of the taxable year in which the liquidation occurs (or, if later, within ninety (90) days after the date of such liquidation), to the Unit Holders pro rata in proportion to their Percentage Interests.

14.4 Qualified Income Offset. A Unit Holder who unexpectedly receives an adjustment, allocation, or distribution described in Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations which causes or increases a deficit balance in the Unit Holder's Deficit Capital Account as of the end of the taxable year to which the allocation relates will be allocated items of income and gain – consisting of a pro rata portion of each item of Company income, including gross income, and gain for such year – in an amount and manner sufficient to eliminate the Deficit Capital Account as quickly as possible.

14.5 Termination. The Manager shall comply with any applicable requirements of applicable law pertaining to the winding up of the affairs of the Company and the final distribution of its assets. Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated.

14.6 Certificate of Dissolution. Upon dissolution occurring pursuant to RCW 25.15.265 and this Article 14, the Manger shall deliver to the Secretary of State for filing a Certificate of Dissolution prepared in accordance with RCW 25.15.269.

14.7 Return of Contribution Non-recourse to Other Members. Except as provided by law or as expressly provided in this Agreement, upon dissolution each Unit Holder shall look solely to the assets of the Company for the return of its Capital Contribution. If the property remaining after the payment or discharge of liabilities of the Company is insufficient to return the contributions of Members, no Unit Holder shall have recourse against any other Unit Holder, except in the case of fraud.

## ARTICLE 15 – INDEPENDENT ACTIVITIES OF MANAGERS AND MEMBERS

Any Manager and Member may engage in or possess an interest in other business ventures of every nature and description, independently or with others, including but not limited to, the ownership, financing, management, employment by, lending to or otherwise participating in businesses which are similar to the business of the Company, and neither the Company nor any of Manager or Unit Holders shall have any right by virtue of this Agreement in and to such independent ventures or to the income or profits therefrom.

## ARTICLE 16 – MISCELLANEOUS PROVISIONS

16.1 Notices. Any notice, demand or communication required or permitted under this Agreement shall be in writing and shall be deemed duly served and given when: (a) personally delivered; (b) by deposit in the United States mail as first-class certified mail, return receipt requested, postage paid; (c) by overnight nationwide commercial courier service; or (d) by e-mail transmission with a confirmation copy to be delivered by duplicate notice in accordance with any of clauses (a) through (c) above, addressed as follows: (i) if to a Member, to the Member's address specified such Member's signature page, (ii) if to the Company, to the address specified in Section 2.3, and (iii) if to Manager, to the address specified in Section 2.3. Notice delivered in accordance with the foregoing shall be effective: (x) when delivered, if delivered personally or by e-mail transmission, (y) on the next business day after being delivered in the United States (properly addressed and all fees paid) for overnight delivery service to a courier (such as Federal Express) which regularly provides such service and regularly obtains executed receipts evidencing delivery, or (z) five (5) days after being deposited (properly addressed and stamped for first-class delivery) in a daily serviced United States mail box. A Member, the Company or Manager may change its address for the purposes of notices hereunder by giving notice to the others specifying such changed address in the manner specified in this Section 16.1.

16.2 Governing Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Washington.

16.3 Amendments. This Agreement may not be amended except by the unanimous written agreement of all of the Members.

16.4 Construction. Whenever the singular number is used in this Agreement and when required by the context, the same shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa.

16.5 Headings. The headings in this Agreement are inserted for convenience only and shall not affect the interpretations of this Agreement.

16.6 Waivers. The failure of any Person to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

16.7 Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

16.8 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

16.9 Heirs, Successors and Assigns. Each of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

16.10 Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

16.11 Counterparts. This Agreement may be executed in counterparts and by facsimile, each of which shall be deemed an original and all of which taken together shall constitute the complete Agreement.

16.12 Investment Representations. The Units have not been registered under the Securities Act of 1933, the Securities Act of Washington or any other state securities laws (collectively, the "*Securities Acts*") because the Company is issuing the Units in reliance upon the exemptions from the registration requirements of the Securities Acts, and the Company is relying upon the fact that the Units are to be held by each Unit Holder for investment. Accordingly, each Unit Holder hereby confirms the Units have been acquired for such Unit Holder's own account, for investment purposes only and not with a view to the resale or distribution thereof and may not be offered or sold to anyone unless there is an effective registration or other qualification relating thereto under all applicable Securities Acts or unless such Unit Holder delivers to the Company an opinion of counsel, satisfactory to the Company, that such registration or other qualification is not required. The Unit Holders understand and agree that the Company is under no obligation to register the Units or to assist any Unit Holder in complying with any exemption from registration under the Securities Acts.

16.13 Legal Counsel. The law firm of Alston, Courtnage & Bassetti LLP (the "*Firm*") has prepared this Agreement. All Members acknowledge that the Firm has represented only Smith and his Affiliates in preparing this Agreement. By their execution hereof, each Member consents to any conflict of interest that this may pose, and acknowledges that the each Member is entitled to seek separate legal counsel regarding this Agreement and any related documents prepared by the Firm in connection with this transaction and the Company. Each Member further acknowledges

that the Firm does not represent any Member in the absence of a clear and explicit written agreement to such effect between such Member and the Firm, and that, in the absence of any such agreement, the Firm owes no duty to any Member.

16.14 Attorneys' Fees. If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement (including, without limitation, enforcement of any obligation to indemnify, defend or hold harmless), or because of an alleged dispute or default in connection with any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover the attorneys' fees, charges and other costs incurred in connection with that action or proceeding, in addition to any other relief to which it may be entitled.

**[Signatures on following page]**

Executed by the undersigned Unit Holders effective as of the date first above written.

**UV 316:**

UV 316 ALASKAN LLC, a Washington limited liability company

By: Urban Visions Management LLC, a Washington limited liability company, its Manager

  
\_\_\_\_\_  
Gregory B. Smith, Manager

**JACK-UV QOF:**

JACK-UV QOF LLC, a Washington limited liability company

By: Urban Visions Management LLC, a Washington limited liability company, its Manager

  
\_\_\_\_\_  
Gregory B. Smith, Manager

**JACK-BG QOF:**

JACK-BG QOF LLC, a Washington limited liability company

By: Urban Visions Management LLC, a Washington limited liability company, its Manager

  
\_\_\_\_\_  
Gregory B. Smith, Manager

SCHEDULE 1

UNIT HOLDER INFORMATION

<b>Unit Holder</b>	<b>Capital Contribution</b>	<b>Units</b>	<b>Percentage Interest</b>
UV 316 Alaskan LLC 816 Second Avenue, Suite 300 Seattle, WA 98104 Attn: Gregory B. Smith	\$17,000,000	41.68	41.68%
Jack-UV QOF LLC 816 Second Avenue, Suite 300 Seattle, WA 98104 Attn: Gregory B. Smith	\$12,674,020	31.08	31.08%
Jack-BG QOF LLC 816 Second Avenue, Suite 300 Seattle, WA 98104 Attn: Gregory B. Smith	\$11,111,111	27.24	27.24%
<b>TOTAL:</b>	<b>\$40,785,131</b>	<b>100.00</b>	<b>100.00%</b>

SCHEDULE 2

LEGAL DESCRIPTION OF PROPERTY

THE SOUTH HALF OF LOT 2 AND ALL OF LOTS 3 AND 4, BLOCK 3 OF TOWN OF SEATTLE AS LAID OUT BY D.S. MAYNARD (COMMONLY KNOWN AS D.S. MAYNARD'S PLAT OF SEATTLE), ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 23, RECORDS OF KING COUNTY, WASHINGTON;

ALSO THAT CERTAIN PORTION OF A STRIP OF LAND COMMONLY KNOWN AS "MACKINTOSH STRIP" LYING WEST OF SAID LOTS 3 AND 4 AND THE SOUTH HALF OF LOT 2, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF SAID BLOCK 3;  
THENCE NORTH ALONG THE WEST LINE OF SAID BLOCK, 150 FEET;  
THENCE WEST PARALLEL WITH THE NORTH LINE OF JACKSON STREET 17.69 FEET TO GOVERNMENT MEANDER LINE;  
THENCE SOUTHERLY ALONG MEANDER LINE 150 FEET, MORE OR LESS, TO THE NORTH LINE OF JACKSON STREET;  
THENCE EAST ALONG JACKSON STREET 19.193 FEET TO BEGINNING.

EXHIBIT A

INITIAL DEVELOPMENT PLAN

## Exhibit A

**INITIAL DEVELOPMENT PLAN**  
**JACK-QOZB LLC, A WASHINGTON LIMITED LIABILITY COMPANY 98104**  
**74 SOUTH JACKSON STREET, SEATTLE, WASHINGTON 98104**

### USE OF WORKING CAPITAL ASSETS CERTIFICATE AND AGREEMENT

This Use of Working Capital Proceeds Certificate and Agreement (this "**Working Capital Plan**"), dated December 31, 2019 (the "**Effective Date**"), is being executed in connection with the receipt on this date by JACK-QOZB LLC, a Washington limited liability company (the "**QOZB**"), organized for the purpose of being a qualified opportunity zone business within the meaning of section 1400Z-2(d)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**" or "**IRC**"), of equity financing from JACK-BG QOF LLC, a Washington limited liability company and JACK-UV QOF LLC, a Washington limited liability company (collectively the "**QOF**"), organized for the purpose of being a qualified opportunity fund within the meaning of Code section 1400Z-2(d)(1) ("**QOF**"), and in an initial aggregate amount of \$23,789,399 (the "**Initial QOF Equity Amount**"). The Initial QOF Equity Amount was used by the QOF to make a cash purchase of a capital or profits interest in QOZB from the QOZB.

The Initial Equity Amount received by QOZB on the Effective Date is expected to be supplemented by additional amounts of equity and debt financing received by the QOZB periodically after the Effective Date (such supplemental amounts, the "**QOZB Financing**"), which will be used by the QOZB, together with the Initial Equity Amount, for (i) the financing or reimbursement of all or a portion of the costs of acquiring, designing, developing, constructing, improving, furnishing, equipping and leasing one or more commercial building, functionally related and subordinate facilities and structures, such as below grade parking garage, and related improvements on a certain parcel of real property located at approximately 74 South Jackson Street in Seattle, Washington, as described more fully in Schedule 2 of the Limited Liability Company Operating Agreement of JACK-QOZB LLC, a Washington limited liability company, as the same may be amended from time to time (collectively, the "**Property**"). The Property is located in a "qualified opportunity zone" ("**QOZ**") designated by the Secretary of the United States Treasury under section 1400Z-1 of the Internal Revenue Code of 1986, as amended (the "**Code**"); (ii) the funding of capitalized interest on the Loans undertaken in respect of the Property; (iii) the funding of reserve accounts with respect to the aforementioned Loans and (iv) paying certain fees and expenses associated with the foregoing (collectively, the "**Project**"). Pursuant to the Loans and Limited Liability Company Operating Agreement of JACK-QOZB, LLC, the QOZB will agree to hold working capital in cash, cash equivalents or debt instruments with a term of 18 months or less ("**Working Capital Assets**") sufficient to pay when due the costs of the Project, including, but not limited to, the principal of, redemption premium, if any, and interest on, and the Loans.

### **RECITALS**

1. On February 4, 2019, Urban Visions Management LLC ("**Urban Visions**"), a Washington limited liability company, caused the QOF and QOZB to be formed as limited liability companies under Washington law.
2. On or before May 17, 2019, the QOF certified its status as a QOF by executing a Limited Liability Company Operating Agreement effective as of that date and executed before the end of 2019 that stated its purpose of being a qualified opportunity fund within the meaning of IRC § 1400Z-2(d)(1), which it intends to perfect by filing Form 8996 with the Internal Revenue Service ("IRS") with its 2019 tax return.
3. The QOZB also entered into a Limited Liability Company Operating Agreement on or around the Effective Date, stating its purpose of being a qualified opportunity zone business within the meaning of IRC § 1400Z-2(d)(3).

1. On May 17, 2019, the QOF received investments from electing taxpayers who elected to defer certain eligible gains pursuant to IRC § 1400Z-2(a)(1)(A), which the QOF expects to hold in the form of cash, cash equivalents and debt instruments with a term to maturity of 18 months or less.

2. On or before December 31, 2019, the QOF intends to fund the QOZB by investing cash from the Initial QOF Equity Amount in exchange for a capital or profits interest in the QOZB.

3. The QOZB intends to hold amounts received from Initial QOF Equity Amount and subsequent draws on debt and equity capital in the form of cash, cash equivalents and debt instruments with a term of 18 months or less and to expend those Working Capital Assets of the Project in the development of a trade or business involving the leasing, operation and/or management of the Project in a QOZ in Seattle, Washington.

4. The following plan for the expenditure of Working Capital received by the QOZB together with the schedule included as **Exhibit A** hereto is intended to meet the requirements of the working capital safe harbor as set forth under section 1.1400Z2(d)(5)(iv) of the Proposed Treasury Regulations or any similar provision that may be subsequently adopted in final regulations issued by the U.S. Department of the Treasury (the "**Regulations**") under section 1400Z-2(d)(3) of the Code.

4. In order to ensure that the requirements of the Code and the Regulations will be met, the QOZB, QOF and their respective affiliates have determined to enter into this Working Capital Plan.

#### **WORKING CAPITAL PLAN**

NOW, THEREFORE, the QOZB and QOF (collectively, the "**Company**"), intending to be legally bound, hereby, agree and certify as follows:

#### **I. GENERAL**

1. **Application of Proceeds - General.** The Company expects to apply the Working Capital Assets derived from the Initial QOF Equity Amount and other capital received by the Company as indicated on **Exhibit A**, as the same may be amended from time to time to add new amounts of debt or equity financing over the course of the Project (the "**Working Capital Schedule**"). More than 95 percent of the Initial QOF Equity Amount and any additional amounts of working capital received by the Company from debt or equity financing, including, for this purpose, earnings from the investment of Working Capital Assets, will be designated for the development of the Project in the Working Capital Schedule and will be used within 31 months to pay Qualified Costs (as defined below) of the Project.

2. **Use of Working Capital for Qualified Costs.** Proceeds of the Initial QOF Equity Amount and other investments and loans received by the Company will be held in reasonable amounts as working capital for the Project in the form of cash, cash equivalents and debt instruments with a term of 18 months or less and will be used for Qualified Costs and other incidental but necessary costs of the Project as set forth in the Working Capital Schedule on **Exhibit A**. As used herein, "Qualified Costs" of the Project include only those costs which are reasonable for the development by the QOZB of a "qualified opportunity zone business" as defined in IRC § 1400Z-2(d)(3) and Regulations thereunder involving the development by the Company of a real estate rental in a QOZ (as defined in IRC § 1400Z-1(a)), including, without limitation, the acquisition, construction and/or "substantial improvement" (as defined in IRC § 1400Z-2(d)(2)(D)(ii)) of tangible property, owned or leased by the Company for its trade or business in the QOZ, if substantially all (at least 70 percent) of such property is expected to satisfy the definition of "qualified opportunity zone business property" ("**QOZBP**") in IRC § 1400Z-2(d)(2)(D) when completed. Interest on debt of the Company allocable to the construction period of the Project and properly includable in its tax basis is a Qualified Cost. Qualified

Costs do not include costs allocable to a trade or business described in IRC § 144(c)(6)(B), as set forth in Section 4.1 hereto, or any other trade or business not expected after the scheduled consumption of working capital for the start-up of its business to derive at least 50 percent of its gross income from the active conduct of a trade or business in a QOZ and use at least 40 percent of its intangible property in the active conduct of a trade or business in the QOZ. For this purpose, the ownership and operation (including leasing) of real property is the active conduct of a trade or business. However, merely entering into a triple-net-lease with respect to real property owned by a QOZB is not the active conduct of a trade or business.

## II. PROJECT DESCRIPTION AND COSTS

1. Project. The Project involves the acquisition, construction and development of a new, first-class office building, and ground level retail amenities, and related site infrastructure improvements (collectively, the "**Facility**") on the Property. As described in **Exhibit B** the Project includes equipment, structures and related systems and facilities to be used by the QOZB to develop, own, operate and manage a commercial leasing business in a QOZ involving (i) an office building, (ii) below grade parking garage, and (iii) facilities functionally related and subordinate to the foregoing. The Qualified Costs of the Project are not less than the costs shown in **Exhibit B**, including attachments thereto.

2. Costs of the Project. As described more fully in **Exhibit B**, the Project involves the acquisition, construction, development and leasing of a commercial buildings on certain real estate parcels in a QOZ located at 74 South Jackson Street in Seattle, Washington, together with parking areas, structures and related systems and facilities to be used by the QOZB to develop, own, operate and manage a commercial leasing business involving (i) office building, (ii) below grade parking garage, and (iii) facilities functionally related and subordinate to such facilities. The Qualified Costs of the Project are not less than the costs shown in **Exhibit B**, including attachments thereto. Prior to completion of the Facility, the Company will use more than 95 percent of its cash and other working capital received from various sources of debt and equity financing as indicated on **Exhibit A** within the first 31 months of each such debt or equity draw to construct and outfit the Facility, which will be used when completed in the Company's active commercial real estate business in a QOZ. The amount of working capital reasonably necessary for completion of the Project is designated in **Exhibit A**, which also provides details on the reasonable and expeditious consumption of the working capital for the development of the Facility by the Company in a manner that will qualify the QOZB as a "qualified opportunity zone business" within the meaning of IRC § 1400Z-2(d)(3) operating, owning and managing commercial real estate in a QOZ.

### III. MATTERS RELATING TO THE WORKING CAPITAL SAFE HARBOR AND OTHER TAX MATTERS

1. Designation in Writing of Working Capital Assets. The amount of cash received by the QOZB in exchange for equity as well as all other debt and equity financing received by the Company for the Project is reflected in the Working Capital Schedule on **Exhibit A**, as the same may be periodically updated from time to time, and the amounts set forth therein are hereby designated as reasonable amounts of working capital consistent with the Company's needs for development and construction related activity during the 31-month period after the amounts so designated are first invested in or loaned to the QOZB. The amounts so designated are necessary for the development of the QOZB's trade or business in the QOZ involving the Facility, including the acquisition, construction and/or substantial improvement of tangible property in the QOZ and other Qualified Costs of the Project.

2. Timing of Expenditures. The Company expects to consume 100% of its Working Capital Assets from equity investments and loans within 31 months in a manner consistent with the ordinary start-up of business operations of the business in the QOZ as set forth in the Working Capital Schedule, which provides that in each case the working capital will be completely consumed by the business no later than 31 months after the amounts are first invested in (or drawn on by) the QOZB. Completion of the Project and the expenditure of the Working Capital Assets of the Company will proceed with due diligence.

3. Schedule for Expenditure of Working Capital Assets. The net proceeds of the Initial QOF Equity Amount and other amounts received by the Company in cash from any debt or equity financing and other assets that would generally be nonqualified financial property within the meaning of IRC § 1397(e)(1) will be held in, converted to, or invested in Working Capital Assets during the applicable 31-month period after their receipt by the Company as set forth in the Working Capital Schedule on **Exhibit A** for development and construction related activities of the Project described in **Exhibit B**. **Exhibit A** shall be updated by the Company periodically, when capital is received during a monthly period, to substantiate the amount, sources and uses of working capital needed for the acquisition, construction, improvement and/or development of the Project site and buildings during the 31 months immediately after such capital is received and to provide a schedule for the expeditious deployment of such capital within the applicable 31-month period. The amounts so designated as working capital must be spent on Qualified Costs of the Project within 31 months of the receipt by the Company of any cash or other nonqualified financial property. The Working Capital Assets will be used in a manner that is substantially consistent with the Working Capital Schedule and the written plan set forth herein, as the same may be amended from time to time in connection with periodic updates on **Exhibit A** to the amount, sources and uses of working capital for the development of the Company's commercial real estate business in the QOZ. Any unexpended amounts remaining in the Company's working capital account at the end of the applicable 31-month period set forth in the Working Capital Schedule for expenditure of such amounts shall be immediately spent on the final date of such period to pay Qualified Costs related to the development of the QOZB's real estate leasing business in the QOZ, including the acquisition, construction and/or substantial improvement of tangible property related to the Facility; provided, however, that if the Company exceeds the 31-month period due to delays attributable to waiting for government action on an application completed and submitted by a QOZB during the 31-month period, then the Company will not violate this provision if it spends the Working Capital Assets immediately after the governmental action that is the cause of the delay has been taken, and that the Company may take any other action hereinafter sanctioned by the Treasury Department and the Internal Revenue Service in final, temporary or proposed regulations or other official guidance permitting relief from the failure of the working capital safe harbor under IRC § 1400Z-2(d)(3)(A)(ii) (incorporating IRC § 1397C(b)(8) and (e)(1)).

4. No Excess Amounts of Working Capital. The Company expects that amounts designated as Working Capital Assets from the issuance of debt and equity, including investment earnings thereon, will not exceed the amount needed as working capital for the purposes of the construction and development of the Project.

5. Investments in the Project. None of the amounts designated as Working Capital Assets will be invested in investments other than the Project.

6. Reasonable Expectations. To the best of the knowledge and belief of the undersigned, the expectations stated in this Working Capital Plan are reasonable, and there are no other facts, estimates or circumstances presently existing and known that would materially change such expectations.

#### **IV. OTHER MATTERS**

1. Prohibited Facilities. No Working Capital Assets will be used in any trade or business described in IRC § 144(c)(6)(B) to provide any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

2. No Other Financing. The sources of Project financing listed in **Exhibit A** are the only sources of funds that the Company will have to complete the Project.

3. Compliance with Working Capital Safe Harbor. This Working Capital Plan and the schedule set forth on **Exhibit A**, as the same may be amended from time to time, are adopted by the Company to comply with the provisions under Proposed Treasury Regulations section 1.1400Z2(d)-1(d)(5)(iv)(A) through (C) for purposes of applying IRC § 1397C(e)(1) to treat Working Capital Assets as reasonable in amount for purposes of satisfying the limitation on a QOZB's nonqualified financial property (i.e., debt, stock, partnership interests, options, futures contracts, forward contracts, warrants, notional principal contracts, annuities, cash and cash equivalents) to less than 5 percent of the average of the aggregate unadjusted bases of its property (the "**Working Capital Safe Harbor**"). The written plan and schedule adopted herein should be interpreted consistently with the Working Capital Safe Harbor and with any other proposed, temporary or final regulations promulgated by the U.S. Treasury Department on or after the date hereof in connection with that safe harbor. A new written plan that identifies the amount, sources and uses of working capital for the development of the Company's business in the QOZ with a new schedule that provides for the expeditious consumption of working capital received from equity investments and loans within 31 months will be made each time the Company draws on new equity or debt financing for the purpose of constructing and developing the Project by making the applicable changes to **Exhibit A** and, if necessary, **Exhibit B**. In connection with each such loan to or investment in the Company after this date, a new written plan and schedule for the expenditure of Working Capital Assets shall be deemed to have been made for purposes of the Working Capital Safe Harbor by amending **Exhibit A** to reflect the reasonable amounts, sources and expected uses of the working capital during the 31 months after the capital is first received by the Company. The Company will also update its written working capital plans, schedules and expenditures on **Exhibit A**, not less than monthly, to substantiate its substantial compliance with each applicable 31-month period for expending Working Capital Assets.

#### **V. MISCELLANEOUS**

1. Limitation of Liability. Anything in this Working Capital Plan to the contrary notwithstanding, any obligation of the Company under this Working Capital Plan shall not constitute a debt or general obligation of the QOZB but shall be a special and limited obligation of the QOZB, payable solely from Cash Flow and Capital Proceeds (as defined in the LLC Agreement). No official, officer, employee or agent of the QOZB shall be personally liable under this Working Capital Plan.

*[Signatures appear on next page]*

• IN WITNESS WHEREOF, the undersigned have set their signatures to this Use of Working Capital Assets Plan and Agreement this 31st day of December, 2019.

JACK-QOZB LLC, a Washington limited liability company,  
By Urban Visions Management LLC, a Washington  
limited liability company, its Manager

By: 

Name: Gregory B. Smith

Title: Manager

**EXHIBIT A**

**SOURCES AND USES OF WORKING CAPITAL ASSETS\***

[See Attached Spreadsheets, Updated [Monthly] with Respect to New Sources of Capital for the Project]

Project:  
Address:  
Developer:  
Capital Partner:  
Analysis:  
Analysis Date:

**The Jack**  
74 S Jackson Street  
Seattle, WA  
Urban Visions  
N/A  
**QOZB Business Plan**  
Dec-2019

Annual	
	Total
<b>SOURCES</b>	
UV Cash Equity	\$ 1,904,986
QOZB Cash Equity	\$ 23,789,399
Construction Loan	\$ 73,972,742
<b>TOTAL: SOURCES</b>	<b>\$ 99,667,127</b>
<b>USES</b>	
Hard Costs	\$ 64,494,064
Soft Costs	\$ 6,783,148
Leasing Costs	\$ 15,148,368
Development Fee	\$ 3,164,902
Financing Costs	\$ 10,076,645
<b>TOTAL: USES</b>	<b>\$ 99,667,127</b>

**Monthly**

	Total	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020
<b>SOURCES</b>						
UV Cash Equity	\$ 1,904,986	\$ 1,904,986	\$ -	\$ -	\$ -	\$ -
QOZB Cash Contribution	\$ 23,789,399	\$ 23,789,399	\$ -	\$ -	\$ -	\$ -
QOZB Disbursement of Funds	\$ 9,239,512	\$ 9,239,512	\$ 299,741	\$ 922,065	\$ 1,043,644	\$ 844,137
Balancing Account	\$ (9,239,512)	\$ (9,239,512)	\$ (299,741)	\$ (922,065)	\$ (1,043,644)	\$ (844,137)
Construction Loan	\$ 73,972,742	\$ -	\$ -	\$ -	\$ -	\$ 2,430,226
<b>TOTAL: SOURCES</b>	<b>\$ 99,667,127</b>	<b>\$ 25,694,385</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,430,226</b>
<b>USES</b>						
Hard Costs	\$ 64,494,064	\$ 2,000	\$ -	\$ 730,032	\$ 851,610	\$ 2,042,602
Soft Costs	\$ 6,783,148	\$ 3,604,757	\$ 175,201	\$ 67,492	\$ 67,492	\$ 67,492
Leasing Costs	\$ 15,148,368	\$ 2,442	\$ -	\$ -	\$ -	\$ -
Development Fee	\$ 3,164,902	\$ 425,000.00	\$ 124,541	\$ 124,541	\$ 124,541	\$ 124,541
Financing Costs	\$ 10,076,645	\$ 7,110,299	\$ -	\$ -	\$ -	\$ 1,039,727
<b>TOTAL: USES</b>	<b>\$ 99,667,127</b>	<b>\$ 11,144,488</b>	<b>\$ 299,741</b>	<b>\$ 922,065</b>	<b>\$ 1,043,644</b>	<b>\$ 3,274,363</b>

Project:  
Address:  
Developer:  
Capital Partner:  
Analysis:  
Analysis Date:

**The Jack**  
74 S Jackson Street  
Seattle, WA  
Urban Visions  
N/A  
**QOZB Business Plan**  
Dec-2019

**Annual**

**SOURCES**

UV Cash Equity  
QOZB Cash Equity  
Construction Loan

**TOTAL: SOURCES**

**USES**

Hard Costs  
Soft Costs  
Leasing Costs  
Development Fee  
Financing Costs

**TOTAL: USES**

**Monthly**

**SOURCES**

UV Cash Equity  
QOZB Cash Contribution  
QOZB Disbursement of Funds  
Balancing Account  
Construction Loan

**TOTAL: SOURCES**

**USES**

Hard Costs  
Soft Costs  
Leasing Costs  
Development Fee  
Financing Costs

**TOTAL: USES**

	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020
<b>SOURCES</b>					
UV Cash Equity	\$ -	\$ -	\$ -	\$ -	\$ -
QOZB Cash Contribution	\$ 549,041	\$ 576,919	\$ 655,920	\$ 505,969	\$ 187,481
QOZB Disbursement of Funds	\$ (549,041)	\$ (576,919)	\$ (655,920)	\$ (505,969)	\$ (187,481)
Balancing Account	\$ 1,580,658	\$ 1,660,917	\$ 1,888,358	\$ 1,456,657	\$ 539,746
Construction Loan	\$ 1,580,658	\$ 1,660,917	\$ 1,888,358	\$ 1,456,657	\$ 539,746
<b>TOTAL: SOURCES</b>	\$ 1,925,967	\$ 2,029,260	\$ 1,744,294	\$ 1,744,294	\$ 507,320
<b>USES</b>					
Hard Costs	\$ 67,492	\$ 67,492	\$ 67,492	\$ 67,492	\$ 67,492
Soft Costs	\$ -	\$ -	\$ 585,900	\$ -	\$ -
Leasing Costs	\$ 124,541	\$ 124,541	\$ 124,541	\$ 124,541	\$ 124,541
Development Fee	\$ 11,698	\$ 16,543	\$ 22,050	\$ 26,299	\$ 27,873
Financing Costs	\$ 2,129,699	\$ 2,237,836	\$ 2,544,278	\$ 1,962,626	\$ 727,227
<b>TOTAL: USES</b>	\$ 2,129,699	\$ 2,237,836	\$ 2,544,278	\$ 1,962,626	\$ 727,227

Project:  
Address:  
Developer:  
Capital Partner:  
Analysis:  
Analysis Date:

**The Jack**  
74 S Jackson Street  
Seattle, WA  
Urban Visions  
N/A  
**QOZB Business Plan**  
Dec-2019

**Annual**

**SOURCES**  
UV Cash Equity  
QOZB Cash Equity  
Construction Loan  
**TOTAL: SOURCES**

**USES**  
Hard Costs  
Soft Costs  
Leasing Costs  
Development Fee  
Financing Costs  
**TOTAL: USES**

**Monthly**

	Oct-2020	Nov-2020	Dec-2020	Jan-2021	Feb-2021
<b>SOURCES</b>					
UV Cash Equity	\$ -	\$ -	\$ -	\$ -	\$ -
QOZB Cash Contribution	\$ 398,606	\$ 604,545	\$ 879,289	\$ 1,291,345	\$ 1,567,579
QOZB Disbursement of Funds	\$ (398,606)	\$ (604,545)	\$ (879,289)	\$ (1,291,345)	\$ (1,567,579)
Balancing Account	\$ 1,147,565	\$ 1,740,452	\$ 2,531,425	\$ 3,717,713	\$ 4,512,976
Construction Loan	\$ 1,147,565	\$ 1,740,452	\$ 2,531,425	\$ 3,717,713	\$ 4,512,976
<b>TOTAL: SOURCES</b>	\$ 1,322,917	\$ 2,116,667	\$ 3,175,001	\$ 4,762,502	\$ 5,820,835

<b>USES</b>					
Hard Costs	\$ 67,492	\$ 67,492	\$ 67,492	\$ 67,492	\$ 67,492
Soft Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Leasing Costs	\$ 124,541	\$ 124,541	\$ 124,541	\$ 124,541	\$ 124,541
Development Fee	\$ 31,220	\$ 36,297	\$ 43,680	\$ 54,523	\$ 67,686
Financing Costs	\$ 1,546,171	\$ 2,344,997	\$ 3,410,714	\$ 5,009,058	\$ 6,080,555
<b>TOTAL: USES</b>	\$ 1,322,917	\$ 2,116,667	\$ 3,175,001	\$ 4,762,502	\$ 5,820,835

Project:  
Address:  
  
Developer:  
Capital Partner:  
Analysis:  
Analysis Date:

**The Jack**  
74 S Jackson Street  
Seattle, WA  
Urban Visions  
N/A  
**QOZB Business Plan**  
Dec-2019

**Annual**

**SOURCES**

UV Cash Equity  
QOZB Cash Equity  
Construction Loan

**TOTAL: SOURCES**

**USES**

Hard Costs  
Soft Costs  
Leasing Costs  
Development Fee  
Financing Costs

**TOTAL: USES**

**Monthly**

	Mar-2021	Apr-2021	May-2021	Jun-2021	Jul-2021
<b>SOURCES</b>					
UV Cash Equity	\$ -	\$ -	\$ -	\$ -	\$ -
QOZB Cash Contribution					
QOZB Disbursement of Funds	\$ 1,570,980	\$ 1,847,821	\$ 804,807	\$ -	\$ -
Balancing Account	\$ (1,570,980)	\$ (1,847,821)	\$ (804,807)	\$ -	\$ -
Construction Loan	\$ 4,522,766	\$ 5,319,775	\$ 5,479,021	\$ 6,381,734	\$ 8,698,422
<b>TOTAL: SOURCES</b>	<b>\$ 4,522,766</b>	<b>\$ 5,319,775</b>	<b>\$ 5,479,021</b>	<b>\$ 6,381,734</b>	<b>\$ 8,698,422</b>

**USES**

Hard Costs  
Soft Costs  
Leasing Costs  
Development Fee  
Financing Costs

**TOTAL: USES**

Hard Costs	\$ 5,820,835	\$ 6,879,169	\$ 5,820,835	\$ 5,820,835	\$ 4,762,502
Soft Costs	\$ 67,492	\$ 67,492	\$ 226,078	\$ 305,371	\$ 463,956
Leasing Costs	\$ -	\$ -	\$ -	\$ -	\$ 3,191,065
Development Fee	\$ 124,541	\$ 124,541	\$ 124,541	\$ 124,541	\$ 124,541
Financing Costs	\$ 80,878	\$ 96,394	\$ 112,374	\$ 130,987	\$ 156,358
<b>TOTAL: USES</b>	<b>\$ 6,093,746</b>	<b>\$ 7,167,596</b>	<b>\$ 6,283,828</b>	<b>\$ 6,381,734</b>	<b>\$ 8,698,422</b>

Project:  
Address:  
Developer:  
Capital Partner:  
Analysis:  
Analysis Date:

**The Jack**  
74 S Jackson Street  
Seattle, WA  
Urban Visions  
N/A  
**QOZB Business Plan**  
Dec-2019

**Annual**

**SOURCES**

UV Cash Equity  
QOZB Cash Equity  
Construction Loan

**TOTAL: SOURCES**

**USES**

Hard Costs  
Soft Costs  
Leasing Costs  
Development Fee  
Financing Costs

**TOTAL: USES**

**Monthly**

	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021
<b>SOURCES</b>					
UV Cash Equity	\$ -	\$ -	\$ -	\$ -	\$ -
QOZB Cash Contribution	\$ -	\$ -	\$ -	\$ -	\$ -
QOZB Disbursement of Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Balancing Account	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Loan	\$ 7,131,722	\$ 5,932,105	\$ 5,073,860	\$ 2,010,890	\$ 215,754
<b>TOTAL: SOURCES</b>	<b>\$ 7,131,722</b>	<b>\$ 5,932,105</b>	<b>\$ 5,073,860</b>	<b>\$ 2,010,890</b>	<b>\$ 215,754</b>

**USES**

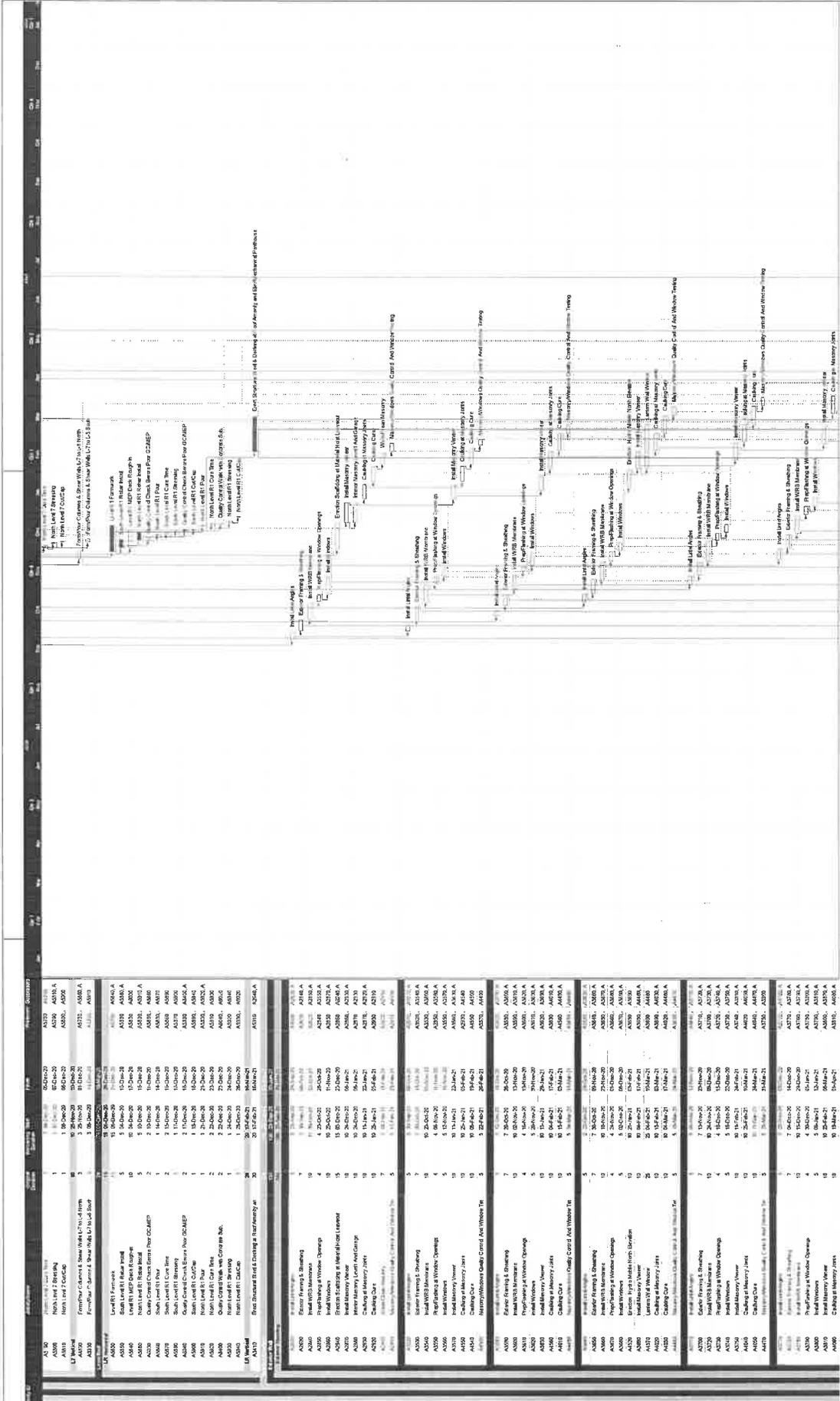
Hard Costs  
Soft Costs  
Leasing Costs  
Development Fee  
Financing Costs

**TOTAL: USES**

Hard Costs	\$ 3,175,001	\$ 2,116,667	\$ 1,322,917	\$ -	\$ -
Soft Costs	\$ 463,956	\$ 305,371	\$ 226,078	\$ -	\$ -
Leasing Costs	\$ 3,191,065	\$ 3,191,065	\$ 3,191,065	\$ 1,795,766	\$ -
Development Fee	\$ 124,541	\$ 124,541	\$ 124,541	\$ -	\$ -
Financing Costs	\$ 177,159	\$ 194,461	\$ 209,259	\$ 215,125	\$ 215,754
<b>TOTAL: USES</b>	<b>\$ 7,131,722</b>	<b>\$ 5,932,105</b>	<b>\$ 5,073,860</b>	<b>\$ 2,010,890</b>	<b>\$ 215,754</b>



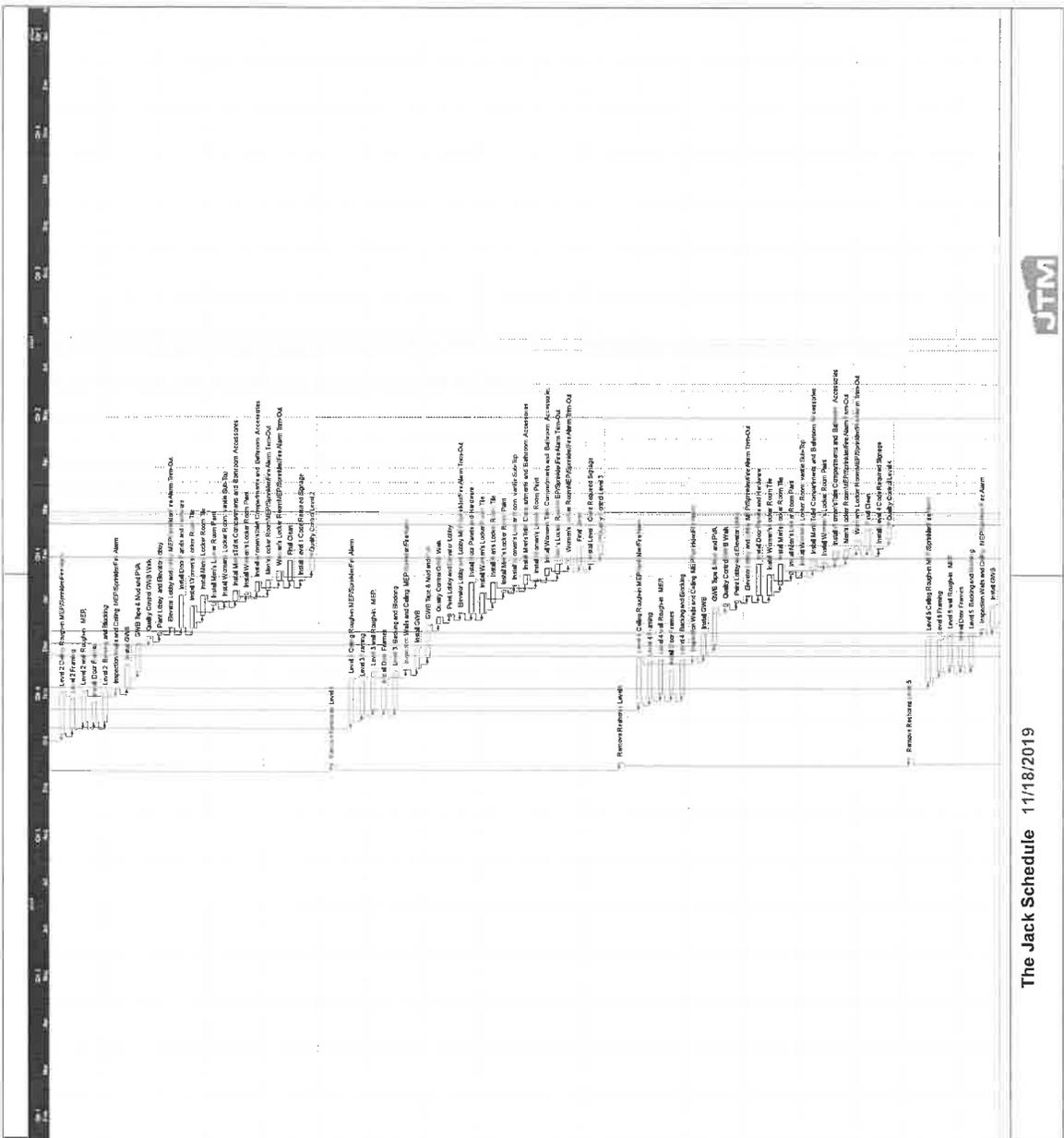




The Jack Schedule 11/18/2019

Actual Work  
 Remaining Level of Effort  
 Remaining Work  
 Milestone  
 Critical Remaining Work



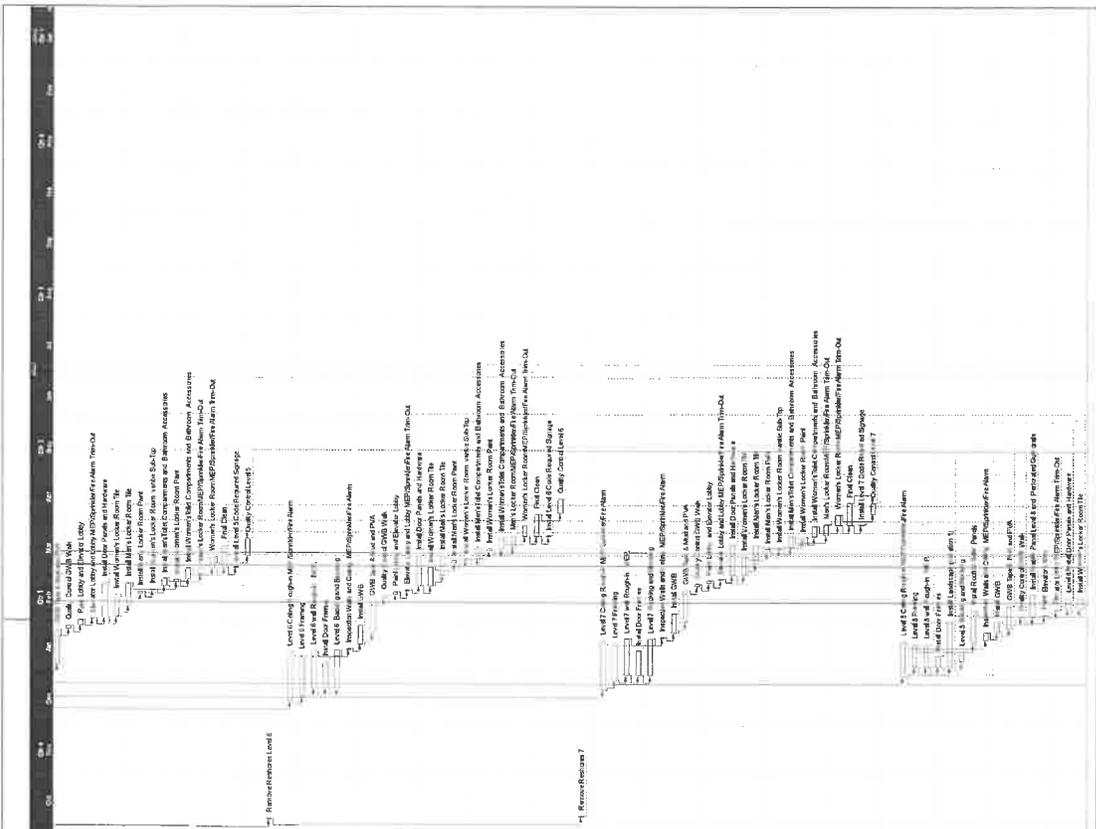


The Jack Schedule 11/18/2019

Task ID	Task Name	Start Date	End Date	Duration	Resources	Level
AT001	Level 1 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT001	Level 1
AT002	Level 2 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT002	Level 2
AT003	Level 3 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT003	Level 3
AT004	Level 4 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT004	Level 4
AT005	Level 5 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT005	Level 5
AT006	Level 1 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT006	Level 1
AT007	Level 2 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT007	Level 2
AT008	Level 3 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT008	Level 3
AT009	Level 4 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT009	Level 4
AT010	Level 5 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT010	Level 5
AT011	Level 1 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT011	Level 1
AT012	Level 2 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT012	Level 2
AT013	Level 3 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT013	Level 3
AT014	Level 4 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT014	Level 4
AT015	Level 5 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT015	Level 5
AT016	Level 1 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT016	Level 1
AT017	Level 2 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT017	Level 2
AT018	Level 3 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT018	Level 3
AT019	Level 4 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT019	Level 4
AT020	Level 5 Call Room MEP/Schedule Alarm	10/20/2019	10/20/2019	1	AT020	Level 5

Remaining Level of Effort [ ] Remaining Work [ ] Milestone [ ]

Actual Work [ ] Critical Remaining Work [ ]



The Jack Schedule 11/18/2019

Activity	Start	Finish	Duration	Level	Notes
AT001	11/18/2019	11/18/2019	1	Level 6	Level 6 Lobby MEP
AT002	11/18/2019	11/18/2019	1	Level 6	Level 6 Corridor MEP
AT003	11/18/2019	11/18/2019	1	Level 6	Level 6 Restroom MEP
AT004	11/18/2019	11/18/2019	1	Level 6	Level 6 Conference Room MEP
AT005	11/18/2019	11/18/2019	1	Level 6	Level 6 Seminar Room MEP
AT006	11/18/2019	11/18/2019	1	Level 6	Level 6 Meeting Room MEP
AT007	11/18/2019	11/18/2019	1	Level 6	Level 6 Storage Room MEP
AT008	11/18/2019	11/18/2019	1	Level 6	Level 6 Mail Room MEP
AT009	11/18/2019	11/18/2019	1	Level 6	Level 6 Janitor Room MEP
AT010	11/18/2019	11/18/2019	1	Level 6	Level 6 Security Office MEP
AT011	11/18/2019	11/18/2019	1	Level 6	Level 6 Control Room MEP
AT012	11/18/2019	11/18/2019	1	Level 6	Level 6 Server Room MEP
AT013	11/18/2019	11/18/2019	1	Level 6	Level 6 Data Center MEP
AT014	11/18/2019	11/18/2019	1	Level 6	Level 6 IT Support MEP
AT015	11/18/2019	11/18/2019	1	Level 6	Level 6 Training Room MEP
AT016	11/18/2019	11/18/2019	1	Level 6	Level 6 Library MEP
AT017	11/18/2019	11/18/2019	1	Level 6	Level 6 Reading Room MEP
AT018	11/18/2019	11/18/2019	1	Level 6	Level 6 Study Room MEP
AT019	11/18/2019	11/18/2019	1	Level 6	Level 6 Quiet Room MEP
AT020	11/18/2019	11/18/2019	1	Level 6	Level 6 Relaxation Room MEP
AT021	11/18/2019	11/18/2019	1	Level 6	Level 6 Wellness Room MEP
AT022	11/18/2019	11/18/2019	1	Level 6	Level 6 Fitness Room MEP
AT023	11/18/2019	11/18/2019	1	Level 6	Level 6 Spa MEP
AT024	11/18/2019	11/18/2019	1	Level 6	Level 6 Salon MEP
AT025	11/18/2019	11/18/2019	1	Level 6	Level 6 Barber MEP
AT026	11/18/2019	11/18/2019	1	Level 6	Level 6 Beauty MEP
AT027	11/18/2019	11/18/2019	1	Level 6	Level 6 Day Spa MEP
AT028	11/18/2019	11/18/2019	1	Level 6	Level 6 Hammam MEP
AT029	11/18/2019	11/18/2019	1	Level 6	Level 6 Hot Tub MEP
AT030	11/18/2019	11/18/2019	1	Level 6	Level 6 Pool MEP
AT031	11/18/2019	11/18/2019	1	Level 6	Level 6 Deck MEP
AT032	11/18/2019	11/18/2019	1	Level 6	Level 6 Terrace MEP
AT033	11/18/2019	11/18/2019	1	Level 6	Level 6 Garden MEP
AT034	11/18/2019	11/18/2019	1	Level 6	Level 6 Courtyard MEP
AT035	11/18/2019	11/18/2019	1	Level 6	Level 6 Parking MEP
AT036	11/18/2019	11/18/2019	1	Level 6	Level 6 Loading Dock MEP
AT037	11/18/2019	11/18/2019	1	Level 6	Level 6 Unloading Dock MEP
AT038	11/18/2019	11/18/2019	1	Level 6	Level 6 Warehouse MEP
AT039	11/18/2019	11/18/2019	1	Level 6	Level 6 Inventory Room MEP
AT040	11/18/2019	11/18/2019	1	Level 6	Level 6 Office MEP
AT041	11/18/2019	11/18/2019	1	Level 6	Level 6 Reception MEP
AT042	11/18/2019	11/18/2019	1	Level 6	Level 6 Front Desk MEP
AT043	11/18/2019	11/18/2019	1	Level 6	Level 6 Security Guard MEP
AT044	11/18/2019	11/18/2019	1	Level 6	Level 6 Maintenance MEP
AT045	11/18/2019	11/18/2019	1	Level 6	Level 6 Janitor MEP
AT046	11/18/2019	11/18/2019	1	Level 6	Level 6 Custodian MEP
AT047	11/18/2019	11/18/2019	1	Level 6	Level 6 Contractor MEP
AT048	11/18/2019	11/18/2019	1	Level 6	Level 6 Vendor MEP
AT049	11/18/2019	11/18/2019	1	Level 6	Level 6 Client MEP
AT050	11/18/2019	11/18/2019	1	Level 6	Level 6 Guest MEP
AT051	11/18/2019	11/18/2019	1	Level 6	Level 6 Visitor MEP
AT052	11/18/2019	11/18/2019	1	Level 6	Level 6 Employee MEP

Remaining Level of Effort  
 Actual Work  
 Remaining Work  
 Critical Remaining Work

◆ Milestone



## **EXHIBIT B**

### **PROJECT DESCRIPTION**

The Project involves the development, construction, ownership, financing, investment in, management, operation and leasing of a new office building being built by JACK-QOZB LLC, a Washington limited liability company (the "Company"), consisting of an office building, totaling approximately 140,611 rentable square feet and ground level retail amenities, totaling 10,927 rentable square feet, following certain infrastructure improvements and the demolition of a parking garage (the "Facility"). The Company is constructing the Facility on certain real property located in a "qualified opportunity zone" within the meaning of IRC § 1400Z-1(a) in Seattle, Washington (the "QOZ"), as described on Schedule 2 of the Limited Liability Company Operating Agreement of JACK-QOZB LLC (the "Agreement"), dated December 31, 2019 (the "Property"), in accordance with the plans and specifications to be developed by an architect as may be selected by Urban Visions Management LLC, a Washington limited liability company, as manager of the Company ("Managing Member"), with the approval, if required, of any Construction Lender (as defined in the Agreement) and approved by such Managing Member. The Facility is expected to be constructed, owned and operated by or on behalf of the Company.

The Project will consist of the development, ownership, financing, investment in, management and operation of the Facility by the Company and doing any all things necessary, incidental or related to the foregoing purposes (the "Project"). It is intended that the Facility will be qualified opportunity zone property ("QOZ Property"), as defined in IRC § 1400Z-2(d)(2), and that the Company will qualify as a qualified opportunity zone business, as defined in IRC § 1400Z-2(d)(3), so that, as described by IRC § 1400Z-2(d)(3), the Company shall hold at least 70 percent (70%) of its assets in QOZ Property, determined by the average of the percentage of the QOZ Property held by the Company as measured (i) on the last day of the first 6-month period of the taxable year of the Company in which any member of the Company makes an election to qualify as a qualified opportunity fund ("QOF"), and (ii) on the last day of such taxable year of the Company (or as otherwise measured in any guidance issued by the U.S. Treasury Department or IRS with respect to IRC § 1400Z-2(d)(1)).

The Facility will be the Company's first real estate development in a QOZ. The Project is part of a long-term strategy to develop, lease, own and eventually sell the building constructed on the Property located at 74 South Jackson Street, Seattle, Washington 98104, within a U.S. census tract that was designated as a "qualified opportunity zone" under IRC § 1400Z-1 in IRS Notice 2018-48. It is expected that the Project will attract various state and local development incentives, including incentive zoning fees, along with federal tax benefits under the QOZ program. The Project will consist of the development of the commercial building for rent to retailers, businesses and other customers, along with below grade parking and other functionally related and subordinate facilities, structures and amenities, to be owned and operated by the Company through its control of the Project.

#### The Facility

The Facility will include the following basic constituent elements:

- A new office building with one floor of below grade parking, seven floors of above grade office and an accessible rooftop deck, operated as a first-class commercial building by the Company with an offset concrete core for maximum flexibility of space and a durable brick façade with large windows maximizing the view, including the tract or parcel of real property on which the campus is expected to be built and all buildings, improvements, public areas, parking areas, landscaping, interior and exterior design, electrical, engineering, roofing, security equipment and financing, permitting, marketing and other fees and costs reasonably related to the construction, development and operation of the foregoing;
- An underground parking garage including all improvements, parking spaces and equipment; and

- Furniture, fixtures, and furnishings for the office building space to be procured by the Company.

A detailed listing of components and other costs of the Facility is included in **Exhibit A**. Also shown on **Exhibit A** are (i) the cost of these components that will be paid for with Working Capital Assets and (ii) the scheduled consumption of working capital to purchase land, construct the Facility and make other ancillary but necessary expenditures for the financing of the Project.