

REDEMPTION AND ASSIGNMENT AGREEMENT

THIS REDEMPTION AND ASSIGNMENT AGREEMENT (this “**Agreement**” or “**Assignment**”) is made and entered into as of July ___, 2019 (the “**Effective Date**”), by and among DESERT HOT SPRINGS INVESTMENT FUND, LLC, a Missouri limited liability company (“**Investor Member**”), LCD NEW MARKETS FUND XII, LLC, a Delaware limited liability company (“**Company**”), LCD NEW MARKETS FUND, LLC, a Delaware limited liability company (“**Managing Member**”), OPPORTUNITY FUND COMMUNITY DEVELOPMENT (formerly known as Opportunity Fund Northern California), a California nonprofit public benefit corporation (“**Allocatee**”) and Desert Hot Springs Health and Wellness Foundation, a California nonprofit public benefit corporation (the “**Borrower**”).

RECITALS

The following Recitals are a material part of this Agreement:

A. Investor Member owns a 99.99% membership interest (the “**Investor Member Interest**”) in the Company pursuant to that certain Amended and Restated Operating Agreement of Company dated as of July 13, 2012 (the “**Operating Agreement**”).

B. The Company previously made certain loans in the original aggregate principal amount of \$12,480,000 (collectively, the “**Loans**”) to Borrower, as described in that certain loan agreement (the “**Loan Agreement**”) dated July 13, 2012, by and among (x) Company and New Markets Community Capital X, LLC, a Delaware limited liability company (“**NMCC CDE**”), as co-lenders, and (y) Borrower, as borrower, as evidenced by two (2) promissory notes as follows: (i) Promissory Note (A-1) in the original principal amount of \$9,207,621 (“**Note A**”), and (ii) Promissory Note (B-1) in the original principal amount of \$3,272,379 (“**Note B**”), all executed by Borrower, as maker, to the order of Company, as payee (collectively, the “**Notes**”).

C. The Loan Agreement, Notes, and all other documents, instruments and agreement which evidence, secure or were otherwise executed in connection with the Notes, including those listed on **Exhibit A**, shall be referred to herein as the “**Loan Documents**”).

D. Investor Member desires to have Company redeem the Investor Member Interest.

E. In connection with redeeming the Investor Member Interest, (i) Company shall make certain distributions to Investor Member and assign to Investor Member all of Company’s right, title and interest in the Loan Assets (as hereinafter defined) and (ii) Investor Member shall assign to Company all of its right, title and interest in and to the Investor Member Interest.

F. By its execution hereof, Allocatee and Managing Member hereby evidence (i) their consent to the redemption of the Investor Member Interest by the Company, (ii) their consent to the withdrawal of Investor Member as a member of the Company, and (iii) their consent to the transactions set forth herein.

G. The sole member of Investor Member as of July 13, 2012 was USB NMTC Fund 2012-1 LLC, a Delaware limited liability company (“**USB Fund**”). Prior to the consummation of

this Agreement, pursuant to the exercise by USB Fund of its put option in that certain Put and Call Agreement dated July 13, 2012 (the “*Put/Call*”) by and between City of Desert Hot Springs, a California charter city (“*Purchaser*”), and USB Fund, Purchaser has purchased USB Fund’s Interest (as defined in the Put/Call) in Investor Member and as a result is, as of the date hereof, the sole member of Investor Member.

H. In support of USB Fund’s investment in the Investor Member, Allocatee executed and delivered an Indemnification Agreement dated as of July 13, 2012 (the “*Indemnification Agreement*”).

AGREEMENT

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

1. Recitals and Defined Terms. The recitals stated above are incorporated herein as if restated in their entirety. Capitalized terms not defined herein shall have the meanings assigned to them in the Operating Agreement.

2. Redemption of the Investor Member Interest and Assignment of Assets. Company hereby purchases and redeems the Investor Member Interest in its entirety, and in consideration for such Investor Member Interest, Company hereby sells, conveys, assigns and transfers to Investor Member, and Investor Member accepts and assumes from Company, all of Company’s right, title and interest in and to the Loans, consisting of the indebtedness evidenced by the Notes and the liens, claims, rights, and interests under or pursuant to the Loan Documents, excluding the Community Benefits Provisions (as defined in Exhibit A hereto) in the Loan Agreement (the “*Loan Assets*”). The parties acknowledge and agree that the redemption of the Investor Member Interest as provided herein shall be treated for all purposes as a sale of the Investor Member Interest by Investor Member.

3. Distributions to Members. In connection with the distribution of the Loan Assets to the Investor Member and simultaneously therewith, the Company shall distribute to Managing Member (a) cash in the amount of [\$1,248.12], representing 0.01% of the fair market value of the Loan Assets (which the parties hereto agree is equal to the face amount of the Notes) and (b) all of the Company's rights and interests under the Community Benefits Provisions (which assignment shall be deemed made by the execution of this Agreement). After payment or reservation for Company fees and expenses and the distribution referred to immediately above, the parties expect that no other cash (“*Cash*”) will be available for distribution, but to the extent any Cash is available, such Cash shall be distributed 99.99% to Investor Member and 0.01% to Managing Member.

4. Transfer of Investor Member Interest and Withdrawal. Upon its receipt of the Loan Assets and payment of its proportionate share of the Cash, Investor Member assigns and transfers all of its right, title and interest in and to the Investor Member Interest to Company and withdraws as a member of Company, and the Managing Member shall thereupon hold 100% of the membership interests in the Company.

5. Waiver and Consent. Managing Member, Allocatee, and Investor Member hereby (a) waive all conditions, restrictions, provisions, procedures and notice requirements of the Operating Agreement and certificate of formation of Company relating to the redemption of the Investor Member Interest in Company and the assignment of the Investor Member Interest to Company as set forth in Section 2 hereof, and (b) consent to the (i) redemption of the Investor Member Interest, (ii) withdrawal of Investor Member as a member of Company, and (iii) assignment of the Loan Assets by Company.

6. Representations and Warranties of Investor Member. Investor Member represents and warrants to Managing Member and Company:

(a) Organization. Investor Member is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Missouri.

(b) Authority. Investor Member and any individual executing this Agreement on Investor Member's behalf, have the power to execute, deliver and perform this Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement.

(c) Title. To the best of Investor Member's knowledge, except for the pledge of the Investor Member Interest as security for (x) that certain original loan made by the City of Desert Hot Springs to Investor Member in the original principal amount of \$15,126,594: (i) Investor Member is the lawful owner and holder of the Investor Member Interest, free and clear of all liens, encumbrances and claims by third parties, (ii) Investor Member has not conveyed, transferred, or assigned (or agreed to convey, transfer or assign) its rights or interests in the Investor Member Interest or any underlying documents, and (iii) Investor Member has not executed any other instrument which might prevent or limit Investor Member from satisfying the terms and provisions of the redemption provided for in this Agreement.

(d) Binding Agreement. This Agreement and the provisions hereof are legal, valid and binding against Investor Member in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency and other similar laws, by any equitable principles affecting creditors' rights generally, and by the discretion of the courts in granting equitable remedies, regardless of whether such enforceability is considered in a proceeding at law or in equity and regardless of whether such limitations are derived from constitutions, statutes, judicial decisions or otherwise.

(e) Securities Laws. Investor Member has not registered the Investor Member Interest under applicable state and federal securities laws.

7. Representations and Warranties of Company. Company represents and warrants to Investor Member:

(a) Organization. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Operating Agreement has not been amended or modified.

(b) Authority. The Company and any individual executing this Agreement on Company's behalf, have the power to execute, deliver and perform this Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the Company's operating agreement, certificate of limited liability company, or any provision of any agreement, instrument, order, judgment or decree to which the Company is a party or by which it or any of its assets is bound.

(c) Bankruptcy. Neither Company nor any of its members or manager(s) (i) is in receivership or dissolution, (ii) has made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, and (iii) has been adjudicated as bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against Company or any of its members. To the best of Company's knowledge, none of the foregoing are pending or threatened in writing.

(d) Binding Agreement. This Agreement and the provisions hereof are legal, valid and binding against Company in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency and other similar laws, by any equitable principles affecting creditors' rights generally, and by the discretion of the courts in granting equitable remedies, regardless of whether such enforceability is considered in a proceeding at law or in equity and regardless of whether such limitations are derived from constitutions, statutes, judicial decisions or otherwise.

(e) No Registration of Investor Member Interest. Company acknowledges that the Investor Member Interest has not been registered under applicable state and federal securities laws, and that it is acquiring the Investor Member Interest based solely on its independent confirmation that such registrations are not required, and not on any representation or warranty of Investor Member (all of which are hereby disclaimed by Investor Member).

(f) Title. Company is the lawful owner and holder of the Loan Assets, free and clear of all liens, encumbrances and claims by third parties. Company has not conveyed, transferred, or assigned (or agreed to convey, transfer or assign) its rights or interests in the Loan Assets. The aggregate outstanding principal balance of Note A-1 is \$9,207,621 and of Note B-1 is \$3,272,379. To the best of Company's knowledge, there is no Event of Default continuing under the Loans or the Loan Assets.

8. Representations and Warranties of Managing Member. Managing Member hereby represents to Investor Member that:

(a) Organization. Managing Member is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) Authority. Managing Member and any individual executing this Agreement on Managing Member's behalf, have the power to execute, deliver and perform this

Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the bylaws of Managing Member, the articles of incorporation of Managing Member, or any provision of any agreement, instrument, order, judgment or decree to which Managing Member is a party or by which it or any of its assets is bound.

(c) Bankruptcy. Managing Member (a) is not in receivership or dissolution, (b) has not made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, and (c) has not been adjudicated as bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against Company or any of its members. To the best of Managing Member's knowledge, none of the foregoing are pending or threatened in writing.

(d) Binding Agreement. This Agreement and the provisions hereof are legal, valid and binding against Managing Member in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency and other similar laws, by any equitable principles affecting creditors' rights generally, and by the discretion of the courts in granting equitable remedies, regardless of whether such enforceability is considered in a proceeding at law or in equity and regardless of whether such limitations are derived from constitutions, statutes, judicial decisions or otherwise.

(e) No Registration of Investor Member Interest. Managing Member acknowledges that Investor Member Interest has not been registered under applicable state and federal securities laws, and that Company is acquiring the Investor Member Interest based solely on its independent confirmation that such registrations are not required, and not on any representation or warranty of Investor Member (all of which are hereby disclaimed by Investor Member).

9. Expenses. Investor Member and Managing Member understand that each of their respective out-of-pocket legal fees incurred in connection with the review and preparation of any documents required to allow Company to assign the Loan Documents and to allow Investor Member to withdraw from Company are being paid by the Borrower or its affiliates concurrently with the closing of the transactions contemplated by this Agreement.

10. Acknowledgement of Continuation of Company Subsequent to Redemption. By its execution hereof, Investor Member is not exercising its right under Section 8 of the Operating Agreement to elect to have Company dissolved. The parties hereto acknowledge and agree that it is the intention of Managing Member to continue Company for at least one (1) day following the redemption of the Investor Member Interest. The transactions provided for under this Agreement are in lieu of a liquidation of the Company assets and a dissolution as provided for under Section 8 of the Operating Agreement.

11. [reserved]

12. [reserved]

13. [reserved]

14. Community Impact Reports. Borrower acknowledges and agrees that the Community Impact Provisions (as defined in Exhibit A hereto) have been assigned to Managing Member, and agrees that, as required by Section 7.13 of the Loan Agreement, it shall provide to the Managing Member (i) the Community Impact Questionnaire with an effective date of June 30, 2019 by November 15, 2019, and (ii) the Community Impact Questionnaire with an effective date of June 30, 2020 by November 15, 2020.

15. Miscellaneous.

(a) Further Actions. Investor Member agrees that it shall execute and deliver or cause to be executed and delivered from time to time such instruments, documents, agreements, consents and assurances and take such other action as Company reasonably may require to more effectively assign and transfer to and vest in (i) Company, all right, title and interest in and to the Investor Member Interest redeemed hereunder and (ii) Investor Member, all right, title and interest in and to Company assets to be assigned to Investor Member hereunder. Managing Member shall execute and deliver or cause to be executed and delivered from time to time such instruments, documents, agreements, consents and assurances and take such other action may reasonably be required evidence or confirm the assignment and transfer to the Investor Member all of the rights, title, and interests in and to the assets of the Company being distributed hereunder and the withdrawal of the Investor Member as a member of the Company.

(b) Waiver. Managing Member, Investor Member and Company each hereby consents and agrees to, and waives any and all other requirements that may be set forth in the Operating Agreement to the transactions described in this Agreement.

(c) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements among the parties with respect to these matters.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the conflicts of law principles thereof.

(e) Interpretation. The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) Counterparts. This Assignment may be executed in several counterparts, including electronic counterparts (such as facsimile or .pdf), each of which shall be deemed to be an original, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties shall not have signed the same counterpart.

[Signatures appear on the following pages]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

INVESTOR MEMBER:

**DESERT HOT SPRINGS INVESTMENT
FUND, LLC**, a Missouri limited liability company

By: City of Desert Hot Springs, a public body,
corporate and politic, its sole member

By: _____
Name: Charles Maynard
Title: City Manager

IN WITNESS THEREOF, the parties hereto have caused this Assignment to be executed by their duly authorized representatives as of the day and year first written above.

COMPANY:

LCD NEW MARKETS FUND XII, LLC,
a Delaware limited liability company

By: LCD New Markets Fund, LLC,
a Delaware limited liability company
its managing member

By: Opportunity Fund Community
Development, a California nonprofit public
benefit corporation, its Managing Member

By: _____
Elizabeth Pesch
Chief Financial Officer and
Executive Vice President

MANAGING MEMBER:

LCD NEW MARKETS FUND, LLC,
a Delaware limited liability company

By: Opportunity Fund Community
Development, a California nonprofit public
benefit corporation, its Managing Member

By: _____
Elizabeth Pesch
Chief Financial Officer and
Executive Vice President

ALLOCATEE:

**OPPORTUNITY FUND COMMUNITY
DEVELOPMENT,** a California nonprofit public
benefit corporation

By: _____
Elizabeth Pesch
Chief Financial Officer and
Executive Vice President

IN WITNESS THEREOF, the parties hereto have caused this Assignment to be executed by their duly authorized representatives as of the day and year first written above.

BORROWER ACKNOWLEDGES IT IS SIGNING THIS AGREEMENT ONLY AS TO THE REPRESENTATIONS AND REQUIREMENTS CONTAINED IN PARAGRAPH 14, COMMUNITY IMPACT REPORTS.

BORROWER:

DESERT HOT SPRINGS HEALTH AND WELLNESS FOUNDATION, a California nonprofit public benefit corporation

By: _____

Name: Charles Maynard

Title: City Manager

EXHIBIT A

The Loan Assets include the following documents, as the same may have been amended:

- (i) Loan Agreement by and among the Company, NMCC CDE, and Borrower, dated July 13, 2012;
- (ii) Promissory Note (A-1) in the original principal amount of \$9,207,621, executed by Borrower, as maker, to the order of Company, as payee, dated July 13, 2012;
- (iii) Promissory Note (B-1) in the original principal amount of \$3,272,379, executed by Borrower, as maker, to the order of Company, as payee, dated July 13, 2012;
- (iv) Construction Deed of Trust (with Assignment of Rents, Security Agreement, and Fixture Filing) dated July 13, 2012, by Borrower for the benefit of the Company and NMCC CDE;
- (v) Assignment of Contracts, Ancillary Documents and Other Rights, dated July 13, 2012, made by Borrower in favor of the Company and NMCC CDE;
- (vi) Unconditional Guaranty of Construction Completion and Excess Development Costs made by Guarantor, dated July 13, 2012, to and for the benefit of the Company and NMCC CDE;
- (vii) Payment Guaranty made by Guarantor, dated July 13, 2012, to and for the benefit of the Company and NMCC CDE;
- (viii) Certificate and Indemnity Regarding Hazardous Substances made by Borrower and Guarantor, dated July 13, 2012, to and for the benefit of the Company and NMCC CDE;
- (ix) Disbursing Agreement, dated July 13, 2012, made by and among Borrower, the Company, NMCC CDE, and U.S. Bancorp Community Development Corporation;
- (x) Bank Account Pledge Agreement, dated July 13, 2012, entered into by and among Borrower, Company, and NMCC;
- (xi) Account Control Agreement, dated July 13, 2012, entered into by and among Borrower, Company, NMCC and U.S. Bank National Association;
- (xii) Account Control Agreement, dated July 13, 2012, entered into by and among Borrower, Company, and U.S. Bank National Association; and
- (xiii) UCC-1 Financing Statements.

EXCLUSION FROM LOAN AGREEMENT:

- (a) The obligation to provide the Annual Community Impact Survey in the form attached as Exhibit H to the Loan Agreement with respect to the periods ending June 30, 2019 and June 30, 2020, pursuant to Section 7.13 of the Loan Agreement (the "***Community Benefits Provisions***").

EXHIBIT A