

**OPERATING AGREEMENT FOR
AHP-BLYTHEWOOD, LLC
EFFECTIVE DECEMBER 15, 2023**

THIS OPERATING AGREEMENT (this “Agreement”) is effective as of this 15th day of December, 2023 (the “Effective Date”), by and between AHP-Blythewood, LLC, an Indiana limited liability company (the “Company”), and Affordable Housing Partners, Inc., an Indiana nonprofit corporation (the “Member”), as the sole member of the Company. The Company was organized as a limited liability company under the Indiana Business Flexibility Act, as amended, Ind. Code § 23-18-1-1 et seq. (the “Act”). Certain defined terms used in this Agreement are set forth in Schedule 1 (Schedule of Definitions) attached hereto and made a part hereof. In consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, and intending to be legally bound hereby, the undersigned parties hereby agree as follows:

ARTICLE I

PURPOSES

Section 1.1. Purposes. The Company’s business and purpose shall consist solely of the following:

- a. The acquisition, ownership, operation, management and rehabilitation of the low-income housing real estate project known as Palomino Estates Apartment Homes, located in the city of Blythewood, South Carolina (the “Property”);
- b. To facilitate the financing as is necessary or appropriate in connection with Subsection 1.1(a) through tax credits and/or tax-exempt bonds;
- c. Such activities as are necessary, incidental or appropriate in connection with Subsections 1.1(a) and 1.1(b); and
- d. To engage in and do any act in furtherance of any and all lawful businesses and activities for which limited liability companies may be formed under the Code; provided, however, that such businesses and activities shall not be inconsistent with the Company being organized and operated exclusively for charitable purposes.

Section 1.2. Non-Profit Purposes. The Company is organized and shall be operated exclusively for charitable purposes, and its activities shall be conducted in such a manner that no part of its net earnings shall inure to the benefit of any manager, officer or other private person other than the Member, except that the Company shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section 1.1. No substantial part of the activities of the

Company shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Company shall not participate in or intervene in any political campaign on behalf of any candidate running for public office.

Section 1.3 Limitation on Powers. If the Member becomes a private foundation (as defined in Section 5092(a) of the Code, as amended, or corresponding provision of any subsequent Federal tax law), the Company shall be subject to the following requirements:

- a. The Company in conjunction with the Member, shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Code, or corresponding provision of any subsequent Federal tax law.
- b. The Company shall not engage in any act of self-dealing that would subject any person to taxes imposed on acts of self-dealing by Section 4941 of the Code, or corresponding provisions of any subsequent Federal tax law.
- c. The Company shall not retain any excess business holdings that would subject it to the tax on excess business holdings imposed by Section 4943 of the Code, or corresponding provisions of any subsequent Federal tax law.
- d. The Company shall not make any investments in a manner that would subject it to the tax under Section 4944 of the Code, or corresponding provisions of any subsequent Federal tax law.
- e. The Company shall not make any expenditures that would subject it to the taxes on taxable expenditure imposed by Section 4945 of the Code, or corresponding provision of any subsequent Federal tax law.

ARTICLE II

ORGANIZATIONAL MATTERS

Section 2.1. Formation. The Company was formed pursuant to the Act upon the filing of Articles of Organization (“Articles”) with the Secretary of State of the State of Indiana on December 15, 2023. The rights and obligations of the Member and the Company shall be as provided under the Act, the Articles and this Agreement. The Member agrees to each of the provisions of the Articles.

Section 2.2. Principal Office. The principal office of the Company shall be at 770 3rd Avenue, S.W., Carmel, Indiana 46032, or such other address as may be established by the Member.

Section 2.3. Registered Office and Registered Agent. The Company's registered office shall be 770 3rd Avenue, S.W., Carmel, Indiana 46032, and the name of its initial registered agent at such address shall be Pedcor Legal Agent, LLC. The Company may designate another registered office or agent at any time by following the procedures set forth in the Act.

Section 2.4. Duration. The existence of the Company shall continue in perpetuity, unless the Company is dissolved in accordance with Article IX or the Act.

ARTICLE III

MEMBERS AND CAPITAL STRUCTURE

Section 3.1. Name and Address of Member. The name of the Member and its last known business, residence or mailing address is listed on the attached Exhibit A. The Member shall update Exhibit A from time to time as necessary to accurately reflect the information therein.

Section 3.2. Capital Contributions. The initial Capital Contribution to the Company of the Member is set forth on Exhibit A.

Section 3.3. Additional Capital. The Member shall not be obligated to make any Capital Contributions other than the initial Capital Contributions specified in Section 3.2.

Section 3.4. RESERVED.

Section 3.5. Member Loans or Services. Loans or services by the Member to the Company shall not be considered Capital Contributions unless otherwise designated by the Member.

Section 3.6. Admission of Additional Members. To the extent that such action does not adversely affect the excludability of interest on any tax-exempt financing issued for the benefit of the Company, the Member may admit Additional Members to the Company, who will be entitled to participate in the rights of Members as described herein, with admission thereof on such terms as are determined by the Member. Any such Additional Members shall be allocated net income, gains, losses, deductions and credits by such method as may be provided in the Agreement or any successor agreement hereto.

ARTICLE IV

GOVERNANCE OF THE COMPANY

Section 4.1. Management by Managers.

- a. Except for situations in which the approval of the Member is required by this Agreement, or by nonwaivable provisions of applicable law, and subject to the

provisions of Section 4.2, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of the Board of Managers; and (ii) the Board of Managers may make all decisions and take all actions for the Company not otherwise provided for in this Agreement, including, without limitation, the following:

- A. entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;
- B. opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;
- C. maintaining the assets of the Company in good order;
- D. collecting sums due to the Company;
- E. to the extent that funds of the Company are available therefor, paying debts and obligations of the Company;
- F. acquiring, utilizing for Company purposes, and disposing of any asset of the Company;
- G. borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;
- H. selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;
- I. obtaining insurance for the Company; and
- J. determining distributions of Company cash and other property as provided in Article VI.

Notwithstanding anything herein to the contrary, the Board of Managers may also contract with a Person or entity for the management and operation of the Company's businesses, assets, facilities and operations, exercising reasonable care under the circumstances. Such management agreements shall be in writing and approved by the Member.

- b. Notwithstanding the provisions of Section 4.1(a), the Board of Managers may not cause the Company to do any of the following without complying with the applicable requirements set forth below:
 - i. sell, lease, exchange or otherwise dispose of (other than by way of pledge, mortgage, deed of trust or trust indenture) all or substantially all the Company's property and assets (with or without good will), other than in the usual and regular course of the Company's business, without complying with the applicable procedures set forth in the Act and without the written consent of the Member;
 - ii. be a party to (1) a merger, or (2) an exchange or acquisition without comply with the applicable procedures set forth in the Act and without the written consent of the Member; or
 - iii. amend or restate the Articles, without complying with the applicable procedures set forth in the Articles and the Act.

Section 4.2. Actions by Board of Managers; Committees; Delegation of Authority and Duties.

- a. In managing the business and affairs of the Company and exercising its powers, the Board of Managers shall act (i) collectively through meetings and written consents consistent as may be provided or limited in other provisions of this Agreement, (ii) at its election, through committees pursuant to Section 4.2(b); and (iii) through specific Managers to whom authority and duties have been delegated pursuant to Section 4.2(c).
- b. The Board of Managers may, from time to time, designate one or more committees, each of which shall be comprised of one or more Managers. Any such committee, to the extent provided in such resolution or in the Articles or this Agreement, shall have and may exercise all of the authority of the Board of Managers, subject to the limitations set forth in the Act. At every meeting of any such committee, the presence of a majority of all members thereof shall constitute a quorum, and the affirmative vote of a majority of the members present shall be necessary for the adoption of any resolution. The Board of Managers may dissolve any committee at any time, unless otherwise provided in the Articles or this Agreement.
- c. The Board of Managers may, from time to time, delegate to one or more Managers such authority and duties as the Board of Managers may deem advisable. In addition, the Board of Managers may, from time to time, designate one or more Managers, or Persons who are not Managers, to be officers of the Company. No officer need be a resident of the State of Indiana or the Member. Any officer so designated, whether or

not such officer is a Manager, shall have such authority and perform such duties as the Managers may, from time to time, delegate to them. The Managers may assign titles to particular officers. Unless the Managers decide otherwise, the officers of the Company, to the extent appointed by the Board of Managers, shall be a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected or appointed by the Board of Managers. Such other managers and assistant managers as may be deemed necessary may be elected or appointed by the Board of Managers. Any two or more offices may be held by the same person.

President. The President shall preside at all meetings of the Board of Managers and shall be the principal executive manager of the Company and, subject to the control of the Board of Managers, shall, in general, supervise and control all of the daily business and affairs of the Company. He may sign, with the Secretary or any other proper Manager or officer of the Company thereunto authorized by the Board of Managers, certificates for Interests in the Company, any deeds, mortgages, bonds, contracts or other instruments except those which shall be required by law, by this Agreement or by the Board of Managers to be otherwise signed or executed; and, in general, shall perform all duties as may be prescribed by the Board of Managers from time to time.

Executive Vice President. The Executive Vice President, if one has been appointed, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President and shall perform such other duties and have such other powers as the President or the Board of Managers may from time to time assign.

Vice President. The Vice President, if one has been appointed, shall perform such other duties and have such other powers as the President or the Board of Managers may from time to time assign.

Secretary. The Secretary shall: (i) prepare and keep the minutes of the meetings of the Board of Managers' meetings or meetings of any committee thereof, in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of this Agreement or as required by law; (iii) be custodian of the Company records and of the seal of the Company, if any; (iv) keep a register of the address of the Member; (v) have general charge of the Interest transfer books for the Company; (vi) authenticate records of the Company; and, in general, (vii) perform all duties to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Managers.

Treasurer. The Treasurer shall: (i) have charge and custody of and be responsible for all funds and securities of the Company; receive and give receipts for monies due and payable to the Company from any source whatsoever, and deposit all such monies in the name of the Company in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of this Agreement; and, in general,

(ii) perform all of the duties incident to the office of Treasurer and such other duties as from time to time be assigned to him by the Board of Managers.

The duties stated above for officers of the Company shall be subject to (i) any specific delegation of authority and duties made to such officer by the Board of Managers, or (ii) any delegation of authority and duties made to one or more Managers pursuant to Section 4.2(a). Each officer shall hold office until his successor shall be duly designated and shall qualify or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same Person or Manager. The salaries or other compensation, if any, of the officers and agents of the Company shall be fixed from time to time by the Board of Managers.

Any officer may resign as anytime. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Managers. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation. Any officer may be removed as such, either with or without cause, by the Managers whenever in their judgment the best interests of the Company will be served thereby; provided; however, that such removal shall be without prejudice to the contract rights, if any, of the Person so removed. Designation of any officer shall not of itself create contract rights. Any vacancy occurring in any office of the Company may be filled by the Board of Managers.

- d. Any third Person dealing with the Company, other than the Member, may rely on the authority of any Manager or officer in taking any action in the name of the Company without inquiry into the provisions of this Agreement or compliance herewith, regardless of whether that action actually is taken in accordance with the provisions of this Agreement.

Section 4.3. Powers of Managers. Every Manager is an agent of this Company for the purpose of its business and the act of a Manager, including the execution in the name of the Company of any instrument for apparently carrying on in the usual way the business of this Company, binds the Company unless the Manager so acting otherwise lacks the authority to act for this Company and the person with whom the Manager is dealing has knowledge of the fact that the Manager has no such authority.

Section 4.4. Election, Number and Term of Office. The number of Managers of the Company may be determined from time to time by resolution of the Member, subject, however, to the provisions in the Articles. The Member hereby acknowledges and agree that the initial number of Managers shall be five (5) and shall serve as the initial Managers and be the sole members of the Board of Managers, as herein described. Each Manager shall hold office for the term for which he is elected and thereafter until his successor shall have been elected and qualified, or until his

earlier death, resignation or removal. Unless otherwise provided in the Articles, Managers need not be the Member or residents of the State of Indiana.

Section 4.5. Removal. Any and all Managers may be removed, either for or without cause, at any special meeting of the Member. The notice of any such special meeting shall state the intention to act upon such matter, and if the notice so provides, the vacancy caused by such removal may be filled at such meeting by the Member.

Section 4.6. Resignations. Any Manager may resign at anytime. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified then at the time of its receipt by the President. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 4.7. Vacancies. Any vacancy occurring in the Managers may be filled by the affirmative vote of a majority of the remaining Managers, though less than a quorum of the Managers. A Manager elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any Manager position to be filled by reason of an increase in the number of Managers shall be filled by election at any annual meeting or at a special meeting of the Member called for that purpose.

Section 4.8. Place and Manner of Meetings. Meetings of the Managers, regular or special, may be held either within or outside of the State of Indiana. Managers may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 4.9. Regular Meeting of Managers. A regular meeting of the Managers may be held at such time as shall be determined from time to time by resolution of the Managers.

Section 4.10. Special Meeting of Managers. The Secretary shall call a special meeting of the Managers whenever requested to do so by the President or by any two Managers. Such special meeting shall be held at the time specified in the notice of meeting. Except as otherwise expressly provided by statute, or by the Articles, or by this Agreement, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

Section 4.11. Notice of Managers' Meetings. All meetings of the Board of Managers (annual, regular or special) shall be held upon five (5) days' prior written notice stating the date, place and hour of meeting delivered to each Manager either personally or by mail or at the direction of the President or the Secretary or the officer or person calling the meeting.

In any case where all of the Managers execute a waiver of notice of the time and place of meeting, no notice thereof shall be required, and any such meeting (whether annual, regular or special) shall be held at the time and at the place (either within or outside of the State of Indiana) specified in the waiver of notice. Attendance of Managers at any meeting shall constitute a waiver of notice of such meeting, except where the Managers attend a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the Managers need be specified in the notice or waiver of notice of such meeting.

Section 4.12. Action Without a Meeting. Any action required by statute to be taken at a meeting of the Managers, or any action which may be taken at a meeting of the Managers, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the Managers. Such consent shall have the same force and effect as a unanimous vote at a meeting.

Section 4.13. Quorum; Majority Vote. At all meetings of the Managers a majority of the number of Managers fixed by this Agreement shall constitute a quorum for the transaction of business unless a greater number is required by this Agreement or by the Articles. The act of a majority of the Managers present at any meeting at which a quorum is present shall be the act of the Managers unless the act of a greater number is required by statute, by the Articles or by this Agreement. If a quorum shall not be present at any meeting of the Managers, the Managers present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 4.14. Approval or Ratification of Acts or Contracts by Member. The Managers in their discretion may submit any act or contract for approval or ratification at any annual meeting of the Member, or at any special meeting of the Member called for the purpose of considering any such act or contract, and any act or contract that shall be approved or ratified by the Member shall be as valid and as binding upon the Company and upon the Member.

Section 4.15. Interested Managers, Officers and Member.

- a. Interested Managers. No contract or transaction between this Company and one or more of its Managers or officers, or between this Company and any other limited liability company, corporation, partnership, association, or other organization in which one or more of its Managers or officers are managers or officers or have a financial interest, shall be void or voidable solely for this reason, if:
 - i. the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Managers or the committee, and the disinterested Managers or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Managers after

- it is determined that the terms of the agreement are in the best interest of the Company and the terms of the agreement do not exceed fair market value, even though the disinterested Managers be less than a quorum; or
 - ii. the material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the Member, and the contract or transaction is specially approved in good faith by the Member; or
 - iii. the contract or transaction is fair as to this Company as of the time it is authorized, approved, or ratified by the Managers, a committee thereof, or the Member.
- b. **Determination of Quorum.** Three (3) Managers may be counted in determining the presence of a quorum at a meeting of the Managers or of a committee which authorizes the contract or transaction.
- c. **Construction.** This provision shall not be construed to invalidate any contract or transaction which would be valid in the absence of this provision.

Section 4.16. Compensation. By resolution of the Managers, the Managers may be paid their expenses, if any, or attendance of each meeting of the Managers and may be paid a fixed sum for attendance at each meeting of the Managers or a stated salary as Manager. No such payment shall preclude any Manager from serving the Company in any other capacity and receiving compensation therefor. Members of any special or standing committees may, by resolution of the Managers, be allowed like compensation for attending committee meetings.

Section 4.17. Procedure. The Managers shall keep regular minutes of their proceedings. The minutes shall be placed in the minute book of the Company.

Section 4.18. Indemnification. The Managers, or any of them, shall be indemnified by the Company for any loss or liability paid or incurred by such Manager(s), and all fees, costs and expenses associated therewith including, without limitation, reasonably attorneys' fees, costs and expenses arising out of or related to any act performed by them within the scope of the authority conferred upon them by this Agreement; provided, however, such indemnity shall be payable only if the Manager (a) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Company and the Member, and (b) had no reasonable grounds to believe that his conduct was negligent or unlawful. No indemnification may be made with respect to any act or omission of a Manager for which he shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of his duty to the Company unless, and only to the extent that the court in which such action or suit was brought determines that in view of all the circumstances of the case, despite the adjudication of liability for negligence or willful misconduct, the Manager is fairly and reasonably entitled to the indemnity for those expenses which the court deems proper. To the extent not covered by insurance maintained by the Company, any indemnity under this subsection shall be paid from, and only to the extent of, Company assets,

and the Member shall not have any personal liability to indemnify the Manager or the Company on account thereof.

Notwithstanding any other provision of this Agreement, there shall be no indemnification with respect to matters as to which indemnification would result in inurement of net earnings of the Company “to the benefit of private Members or individuals,” within the meaning of 501(c)(3) of the Code, or similar provisions of any subsequent Federal tax law.

ARTICLE V

ACCOUNTING AND RECORDS

Section 5.1. Records and Accounting. The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in accordance with the accounting methods elected to be followed by the Company for federal income tax purposes. The books and records of the Company shall reflect all Company transactions and shall be appropriate and adequate for the Company’s business. The fiscal year of the Company for financial reporting and for federal tax purposes shall be the calendar year.

Section 5.2. Access to Records. The books and records of the Company, to the extent required by the Act, shall be maintained at the Company’s Principal Office, and the Member and its duly authorized representatives shall have access to where they are located and have the right to inspect and copy them during ordinary business hours.

Section 5.3. Annual Tax Information. The Company shall use its best efforts to deliver to the Member within ninety (90) days after the end of each fiscal year all information necessary for the preparation of the Member’s federal and state income tax returns. The Company shall also use its best efforts to prepare, within ninety (90) days after the end of each fiscal year, a financial report of the Company for such fiscal year containing a balance sheet as of the last day of the year then ended, an income statement for the year then ended, a statement for the year then ended, a statement of sources and applications of funds, and a statement of reconciliation of the Capital Account of the Member.

Section 5.4. Accounting Decisions. All decisions as to accounting matters, except as otherwise specifically set forth in this Agreement, shall be made by the Board of Managers. The Board of Managers may rely upon the advice of its accountants as to whether such decisions are in accordance with accounting methods followed for federal income tax purposes.

Section 5.5. Partnership Representative.

- a. To the extent that the Company becomes a partnership for federal tax purposes, the Company’s Treasurer shall serve as the partnership representative of the Company (the “Partnership Representative”), pursuant to Section 6223(a) of the Code, for all taxable

years for which he remains the Treasurer of the Company, provided that he qualifies as a partnership representative under Section 6223(a) of the Code.

b. Federal Income Tax Elections.

- i. The Treasurer will nominate an individual through whom the Partnership Representative proposes to act at any time for all purposes of the Revised Partnership Audit Procedures, which nominated individual shall be subject to the Board of Managers' review and approval in its sole discretion (as approved by the Board of Managers, the "Designated Individual").
- ii. The Board of Managers in its sole discretion shall appoint a Partnership Representative or replacement Partnership Representative and Designated Individual of the Company for all taxable years of the Company if, at any time, the Treasurer does not qualify as a partnership representative under the Code.
- iii. Subject to the limitations set forth in this Agreement, the Partnership Representative and Designated Individual shall have all of the power and authority of a partnership representative and designated individual, respectively, under the Revised Partnership Audit Procedures and shall represent the Company in all dealings with the IRS and state and local taxing authorities for all taxable years during which they serve in such positions in accordance with this Article V, provided that (A) the Partnership Representative and Designated Individual shall give prior written notice to the Board of Managers of any administrative or judicial proceedings involving the adjustment of any tax items affecting the Company or the Member and obtain the prior written consent of the Board of Managers regarding the course of action to be taken in such proceedings, and (B) neither the Partnership Representative nor the Designated Individual shall enter into or consent to a settlement with the IRS that binds the Company or the Member with respect to any Company item without obtaining the prior written consent of the Board of Managers.
- iv. If the Partnership Representative or Designated Individual, or both, resign, or if the Treasurer is removed in accordance with any provision of this Agreement, or if for any other reason the Treasurer no longer serves as such officer of the Company, then the Board of Managers in its sole discretion shall designate a replacement Partnership Representative and Designated Individual for all taxable years of the Company.
- v. If the Partnership Representative or Designated Individual fails to obtain the Board of Managers' prior written consent to any filing, election or course of action in accordance with this Article V or if the Partnership Representative or Designated Individual fails to perform or observe any other covenant, term or condition to be

performed or observed by the Partnership Representative or Designated Individual, respectively, under this Article V, then the then the Board of Managers shall have the right any time, thereafter, to remove and replace the Partnership Representative and the individual serving as the Designated Individual for any and all taxable years of the Company.

- vi. The timing of any change in the Partnership Representative and Designated Individual pursuant to this Section 5.5 shall be subject to all applicable requirements of the Code and Treasury Regulations.
- c. The Partnership Representative or Designated Individual shall provide to the Board of Managers prompt notice of any communication to or from, or agreements with, any federal, state or local tax authority regarding any Company tax returns or other Company tax matters, including a summary of the provisions thereof.
- d. The terms and conditions of this Section 5.5 also shall apply to state and local income tax matters affecting the Company to the extent that the terms and conditions hereof have any application to audit procedures at the state and local levels.
- e. Notwithstanding the above, as permitted by applicable law and regulations, the Partnership Representative and Designated Individual will elect to use an accelerated depreciation method on each depreciable unit of the assets of the Company.
- f. In addition to the other limitations on the Partnership Representative's authority set forth herein, the Partnership Representative shall not take any of the following actions without obtaining the prior written consent of the Board of Managers:
 - i. extend the statute of limitations for assessing or computing any tax liability against the Company (or the amount or character of any Company tax item);
 - ii. settle any audit or proceeding with the IRS or any state or local taxing authority;
 - iii. file a request for an administrative adjustment of any kind with the IRS or any state or local taxing authority at any time or file a petition for judicial review with respect to any adjustment made by the IRS or any state and local taxing authority;
 - iv. initiate or settle any judicial review or action concerning the amount or character of any Company tax item; or
 - v. take any other action that would have the effect of finally resolving a tax matter affecting the rights of the Company and the Member or otherwise have a material effect on any tax matters affecting the Company and the Member.

- g. The Board of Managers shall keep the Member advised of any dispute the Company may have with the IRS or any state or local taxing authority, and, to the extent permitted by applicable rules of procedure adopted by such taxing bodies, shall afford the Member the right to participate directly in negotiations with any such taxing authority in any effort to resolve any such dispute. Within ten (10) business days after the receipt of any correspondence or communication relating to the Company or the Member from the IRS or any state or local taxing authority, the Board of Managers or Partnership Representative shall forward to the Member a photocopy of all such correspondence or communication(s). The Board of Managers or Partnership Representative shall, within ten (10) calendar days thereafter, advise the Member in writing of the substance and form of any conversation or communication held with any representative of the IRS or any state or local taxing authority.
- h. The Company shall indemnify and reimburse the Partnership Representative and the Designated Individual for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Member and/or the Company, provided that the Partnership Representative and Designated Individual will not be entitled to indemnification for fraud, gross negligence, willful misconduct, breach of fiduciary duty or breach of its obligations under this Article V. The Company's indemnification and reimbursement obligations under this Section 5.5(h) shall constitute operating expenses payable solely from gross cash receipts (before any distributions are made pursuant to Article VI or any discretionary reserves are set aside by the Board of Managers) or the operating reserve.

ARTICLE VI

ALLOCATIONS AND DISTRIBUTIONS

Section 6.1. Allocation of Net Income, Net Loss or Capital Gains. The net income, net loss, or capital gains of the Company for each fiscal year of the Company shall be allocated One Hundred percent (100%) to the Member.

Section 6.2. Distributions. Cash or other property shall be distributed to the Member at such time as the Board of Managers shall determine.

ARTICLE VII

TRANSFERS OF INTERESTS

Section 7.1. Transferability. To the extent that such action does not adversely affect the excludability of interest on any tax exempt financing issued for the benefit of the Company, the Member may Transfer all or any portion of its Interest to another Person at any time. If the Member

Transfers its entire Interest to another Person and such Person is admitted as an Additional Member of the Company in accordance with Section 3.6, the Member shall cease to be a Member and shall not have any power to exercise any rights of a Member.

ARTICLE VIII

DISSOCIATION OF A MEMBER

Section 8.1. Dissociation. To the extent that such action does not adversely affect the excludability of interest on any tax exempt financing issued for the benefit of the Company, the Member ceases to be a Member upon the occurrence of either of the following events (each an “Event of Dissociation”):

- a. the Member voluntarily withdraws from the Company; or
- b. the Member Transfers his entire Interest to another Person and such Person is admitted as an Additional Member of the Company in accordance with the terms of Section 3.6.

ARTICLE IX

DISSOLUTION AND WINDING UP

Section 9.1. Dissolution. To the extent that such action does not adversely affect the excludability of interest on any tax exempt financing issued for the benefit of the Company, the Company shall be dissolved and its affairs wound up on the first of the following to occur:

- a. a determination by the Member that the Company shall be dissolved; or
- b. at such earlier time as may be provided by applicable law.

Notwithstanding any other provision of this Agreement or the Act, the Member hereby agrees that the business of the Company shall be continued upon the occurrence of an Event of Dissociation and that the Company shall not be dissolved upon the occurrence of an Event of Dissociation other than pursuant to the terms of Section 9.1(a).

Section 9.2. Winding up. Upon dissolution, to the extent that such action does not adversely affect the excludability of interest on any tax exempt financing issued for the benefit of the Company, the Member shall proceed to wind up and liquidate the business and affairs of the Company, and the Company may only carry on business that is appropriate to wind up and liquidate the business and affairs of the Company, including the following: (a) collecting the Company’s assets; (b) disposing of properties that will not be distributed in kind to the Member; (c) discharging or making provision for discharging liabilities; (d) distributing the remaining property to the Member; and (e) doing every other act necessary to wind up and liquidate the

business and affairs of the Company. The Member shall follow the procedure for disposing of known claims set forth in Ind. Code § 23-18-9-8 and shall publish notice of the dissolution of the Company pursuant to Ind. Code § 23-18-9-9.

Section 9.3. Distribution of Assets. Upon dissolution, all assets remaining after payment of liability shall be distributed exclusively to the Member or the organization described in Section 501(c)(3) of the Code.

ARTICLE X

AMENDMENTS

Section 10.1. Amendments. The Member and the Company may amend this Agreement from time to time by written instrument reflecting such amendment. Upon amendment of this Agreement, the Articles shall also be amended, if necessary, to reflect such change.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Complete Agreement. This Agreement and the Articles constitute the complete and exclusive statement of agreement between the Member and the Company with respect to its subject matter. This Agreement and the Articles replace and supersede all prior agreements by and among the Member and the Company. This Agreement and the Articles supersede all prior written and oral statements and no representation, statement, or condition or warranty not contained in this Agreement or the Articles will be binding on the parties or have any force or effect whatsoever.

Section 11.2. Governing Law. This Agreement and the rights of the parties under this Agreement will be governed by, interpreted, and enforced in accordance with the laws of the State of Indiana.

Section 11.3. Binding Effect; Conflicts. This Agreement will be binding upon and inure to the benefit of the parties, and their respective distributes, successors and assigns. This Agreement is subject to, and governed by, the Act and the Articles. In the event of a direct conflict between the provisions of this Agreement and the mandatory provisions of the Act or the provisions of the Articles, the provisions of the Act or the Articles, as the case may be, will be controlling.

Section 11.4. Headings; Interpretation. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement. The singular shall include the plural, and the masculine gender shall include the feminine and neuter, and vice versa, as the context requires.

Section 11.5. Severability. If any provision of this Agreement is held to be illegal, invalid, unreasonable, or unenforceable under the present or future laws effective during the term of this Agreement, such provision will be fully severable; this Agreement will be construed and enforced as if such illegal, invalid, unreasonable, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, unreasonable, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, unreasonable, or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, unreasonable, or unenforceable provision as may be possible and be legal, valid, reasonable, and enforceable.

Section 11.6. Additional Documents and Acts. Each party agrees to promptly execute and deliver such additional documents, statements of interest and holdings, designations, powers of attorney, and other instruments, and to perform such additional acts, as the other party may determine to be necessary, useful or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated by this Agreement, and to comply with all applicable laws, rules and regulations.

Section 11.7. No Third Party Beneficiary. This Agreement is made solely and specifically among and for the benefit of the parties and their respective successors and assigns. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other third party. No creditor or other third party will have any rights, interests, or claims under the Agreement or be entitled to any benefits under of on account of this Agreement as a third party beneficiary or otherwise.

Section 11.8. Notices. Any notice to be given or to be served upon the Company or the Member in connection with this Agreement must be in writing and will be deemed to have been given and received when delivered to the address specified by the party to receive the notice. Such notices will be given to the Member at the addresses specified on Exhibit A. Any party may, at any time by giving five (5) days' prior written notice to the other party, designate any other address in substitution of the foregoing address to which such notice will be given.

Section 11.9. Title to Company Property. Legal title to all property of the Company will be held and conveyed in the name of the Company.

Section 11.10. No Remedies Exclusive. To the extent any remedies are provided herein for a breach of this Agreement, the Articles or the Act, such remedies shall not be exclusive of any other remedies the aggrieved party may have, at law or in equity.

Section 11.11. Incorporated Schedule and Exhibits. The following Schedule and Exhibit are attached to and/or have been identified as Schedules and Exhibits to this Agreement and are incorporated in this Agreement by reference as if fully set forth herein.

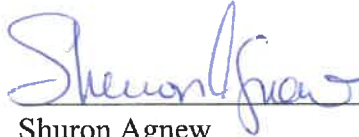
Operating Agreement for AHP-Blythewood, LLC

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth opposite their signatures, to be effective on the Effective Date.

“MEMBER”

AFFORDABLE HOUSING PARTNERS, INC.,
an Indiana nonprofit corporation

Date: December 15, 2023

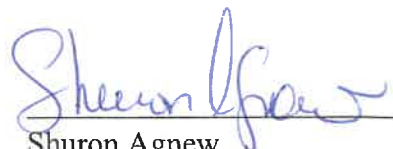
By: 
Print: Shuron Agnew
Title: Vice President

“COMPANY”

AHP-BLYTHEWOOD, LLC,
an Indiana limited liability company

Date: December 15, 2023

By: Affordable Housing Partners, Inc.,
an Indiana nonprofit corporation,
its sole member

By: 
Print: Shuron Agnew
Title: Vice President

Schedule I
To Operating Agreement

Schedule of Definitions

The terms used in this Agreement with their initial letters capitalized shall have, unless the context otherwise requires or unless otherwise expressly provided in this Agreement, the meanings specified in this Schedule I. Any term used but not defined in this Agreement shall have the meanings set forth in the Act. The singular shall include the plural, and the masculine gender shall include the feminine and neuter, and vice versa, as the context requires. When used in this Agreement, the following terms shall have the meanings set forth below:

“**Act**” means the Indiana business Flexibility Act, as the same may be amended from time to time.

“**Additional Member**” means any individual or Entity admitted as a Member pursuant to Section 3.6.

“**Agreement**” means this Operating Agreement of the Company, as originally executed and as amended from time to time.

“**Capital Contribution**” means the total value of cash and agreed fair market value of property contributed and agreed to be contributed to the Company by the Member, as shown on Exhibit A, as the same may be amended from time to time.

“**Code**” means the Internal Revenue Code of 1986, as amended. All references in this Agreement to sections of the Code shall include any corresponding provision or provisions of succeeding law.

“**Company**” has the meaning set forth in the preamble to this Agreement.

“**Designated Individual**” has the meaning set forth in Section 5.5(b)(i).

“**Entity**” means any association, corporation, general partnership, limited partnership, limited liability partnership, limited liability company, joint stock association, joint venture, firm, trust, business trust, cooperative, or foreign associations of like structure.

“**Event of Dissociation**” means any of the events listed in Section 8.1 upon which the Member ceases to be a Member.

“**Interest**” means the entire ownership interest of the Member in the Company at any particular time, including the right of the Member to any and all benefits to which the Member

Operating Agreement for AHP-Blythewood, LLC

may be entitled as provided in this Agreement and under the Act, together with the obligations of the Member to comply with all of the terms and provisions of this Agreement.

“**IRS**” means the Internal Revenue Service.

“**Managers**” means those Persons appointed by the Member pursuant to Section 4.4 to manage the business of the Company.

“**Member**” or “**Members**” refers to Affordable Housing Partners, Inc., as the sole Member of the Company as of the Effective Date, and any Additional Members admitted to the Company.

“**Operating Agreement**” means this Agreement.

“**Partnership Representative**” has the meaning set forth in Section 5.5(a).

“**Person**” means an individual or Entity.

“**Principal Office**” means the address established pursuant to Section 2.2.

“**Revised Partnership Audit Procedures**” means the revised partnership audit rules contained in Subchapter 63C of the Code, as amended by the Bipartisan Budget Act of 2015, P.L. 114-74 and the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, and the regulations promulgated thereunder.

“**Transfer**” means any “assignment” as that term is used in Ind. Code §§ 23-18-6-3 and 23-18-6-4 and includes any gift, sale, exchange, assignment, conveyance, alienation or other transfer, whether voluntary or involuntary, and includes any Transfer to a receiver, bankruptcy trustee, judgment creditor, lienholder, holder of a security interest, pledge or other encumbrance, and transfer upon judicial order or other legal process.

Exhibit A
To Operating Agreement

Name and Address of Member and Capital Contribution
(As of December 15 , 2023)

<u>Member</u>	<u>Address</u>	<u>Capital Contribution</u>
Affordable Housing Partners, Inc.	One Pedcor Square 770 3 rd Avenue, S.W. Carmel, Indiana 46032	\$100.00