

PUT/CALL OPTION AGREEMENT

THIS PUT/CALL OPTION AGREEMENT (the “*Agreement*”) is made and entered into as of October __, 2011, by and between (a) Chase Community Equity, LLC, a Delaware limited liability company (the “*Investor Member*”), (b) Community Development Properties New Markets MM, Inc., a Delaware corporation (the “*Fund Manager*”), and (c) the City of San Jose, a California municipal corporation (the “*Purchaser*”).

RECITALS

A. The Investor Member has acquired a ninety-nine and ninety-nine one-hundredths of one percent (99.99%) interest (the “*Investor Member Membership Interest*”) and the Fund Manager has acquired a one one-hundredth of one percent (0.01%) interest (the “*Fund Manager Membership Interest*”) in Chase NMTC SJEIC Investment Fund, LLC, a Delaware limited liability company (the “*Fund*”), pursuant to the terms of that certain Operating Agreement, dated as of August __, 2011 (the “*Fund Agreement*”), by and between the Investor Member and the Fund Manager. Terms appearing in this Agreement as initially capitalized terms and not otherwise expressly defined herein shall have the respective meanings given them in the Fund Agreement or in the Amended and Restated Operating Agreement of NDC New Markets Investments LXV, LLC, a Delaware limited liability company, of even date herewith (the “*NDC CDE Agreement*”).

B. The Investor Member may wish to dispose of its Investor Member Membership Interest following the end of the Compliance Period (as that term is defined in the NDC CDE Agreement), and the Purchaser may wish to acquire the Investor Member Membership Interest following the end of the Compliance Period on the terms set forth in this Agreement.

C. The Fund Manager may wish to dispose of its Fund Manager Membership Interest following the acquisition of the Investor Member Membership Interest by the Purchaser, and the Purchaser may wish to acquire the Fund Manager Membership Interest on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. ***Membership Interest.*** Any reference herein to the Investor Member Membership Interest shall mean the Investor Member’s entire Membership Interest (as that term is defined in the Fund Agreement), including without limitation all the interests of the Investor Member in Profit, Loss, and Credits, Net Cash Flow, its Capital Account, and distributions, and otherwise in the Fund and all rights and powers under the Fund Agreement. Any reference herein to the Fund Manager Membership Interest shall mean the Fund Manager’s entire Membership Interest (as that term is defined in the Fund Agreement), including without limitation all the interests of the Fund Manager in Profit, Loss, and Credits, Net Cash Flow, its Capital Account, and distributions, and otherwise in the Fund and all rights and powers under the Fund Agreement.

2. ***Put Option.***

(a) The Purchaser hereby grants to the Investor Member an option (the “***Put Option***”) to sell the Investor Member Membership Interest to the Purchaser upon the terms and conditions hereinafter set forth. The purchase price for the Investor Member Membership Interest under the Put Option (the “***Put Price***”) shall be the greater of \$1,000 or the amounts due and owing, if any, to NDC New Markets Investments LXV, LLC, a Delaware limited liability company (“***NDC CDE***”), Brownfield Revitalization XV, LLC, a Delaware limited liability company (“***BR CDE***”), and Northern California Community Loan Fund NMTC Sub-CDE III, LLC, a California limited liability company (“***NCCLF CDE***” and, collectively with the BR CDE and the NDC CDE, the “***CDEs***”), pursuant to that certain Indemnification Agreement (QALICB), by and among EIC QALICB, Inc., NDC CDE, BR CDE, and NCCLF CDE for the benefit of JPMorgan Chase Bank, N.A. (the “***Indemnification Agreement (QALICB)***”). In the event that the amounts due and owing to the CDEs pursuant to the Indemnification Agreement (QALICB) have been paid, the Put Price shall be considered satisfied.

(b) The Put Option may be exercised by the Investor Member at any time during the period between the last day of the Compliance Period and the date that is sixty (60) days after the last day of the Compliance Period (the “***Put Option Period***”).

(c) If, at any time during the Put Option Period, the Investor Member elects to sell the Investor Member Membership Interest pursuant to the provisions of this Section 2, it shall give the Purchaser written notice of such election (the “***Election Notice***”). Delivery of the Election Notice shall constitute the exercise of the Put Option and shall bind the Purchaser to purchase the Investor Member Membership Interest for an amount equal to the Put Price.

(d) Within thirty (30) calendar days following receipt of the Election Notice pursuant to Section 2(c) hereof, the Purchaser shall pay to the Investor Member the Put Price, in immediately available funds. Upon payment of the Put Price, title to the Investor Member Membership Interest shall vest in the Purchaser, and the Investor Member shall no longer have a Membership Interest in the Fund.

(e) The Purchaser shall bear both parties’ closing costs attributable to the exercise of the Put Option.

3. ***Call Option.***

(a) In the event that the Investor Member does not deliver the Election Notice to the Purchaser during the Put Option Period, the Purchaser shall have the right and option (the “***Call Option***”) at any time following the end of the Put Option Period (the “***Call Option Period***”) to purchase the Investor Member Membership Interest for an amount (the “***Call Price***”) equal to the fair market value of the Investor Member Membership Interest (the “***Investor Member Membership Interest FMV***”), plus the amounts due and owing, if any, under the Indemnification Agreement (QALICB).

(b) If, at any time during the Call Option Period, the Purchaser elects to purchase the Investor Member Membership Interest pursuant to the provisions of this Section 3,

it shall give the Investor Member notice of such election (the “*Call Notice*”). The Call Notice shall contain the Purchaser’s preliminary determination of the Call Price.

(c) The Investor Member may, within five (5) business days of receipt of the Call Notice, send written notice to the Purchaser objecting to the Purchaser’s preliminary determination of the Call Price (the “*Objection Notice*”). If the Purchaser does not receive from the Investor Member the Objection Notice within such time period, the amount set forth in the Call Notice shall be the Call Price. If the Investor Member timely objects to the amount set forth in the Call Notice for the Call Price, and if such disagreement is not otherwise resolved by agreement between the parties, then the Call Price shall be determined as follows:

The Investor Member Membership Interest FMV shall be determined by an independent appraiser, selected as follows: As soon as practicable and in any event within ten (10) days following the delivery by the Purchaser of the Call Notice to the Investor Member, the Purchaser shall submit to the Investor Member a list of at least three (3) appraisers. Each appraiser so specified must have at least ten (10) years experience in valuing commercial properties and in valuing interests in limited liability company interests. The Investor Member shall have ten (10) days after receiving such list to specify by written notice to the Purchaser the appraiser from such list which it selects as the appraiser hereunder. If the Investor Member does not so select an appraiser from such list within such period of time, then the Purchaser may select an appraiser from such list as the appraiser hereunder. The appraiser shall be instructed to determine the fair market value of the Investor Member Membership Interest as of the date of the Call Notice. The appraiser shall take into account all facts and circumstances concerning the Investor Member Membership Interest as it shall determine relevant in making its determination, including in any event any legal provisions affecting the Investor member Membership Interest and the assets of the Fund, including those set forth in the Fund Agreement, the NDC CDE Agreement, the Amended and Restated Operating Agreement of BR CDE of even date herewith (the “*BR CDE Agreement*”), and the Amended and Restated Operating Agreement of NCCLF CDE of even date herewith (the “*NCCLF CDE Agreement*”). The appraiser shall be instructed to deliver written notice of his/her determination to the Purchaser and the Investor Member within twenty (20) days of his/her engagement, and the appraiser’s determination shall be final, binding, and conclusive on the parties as the Call Price hereunder.

(d) Within thirty (30) calendar days following the determination of the Call Price pursuant to Section 3(c) above, the Purchaser shall pay to the Investor Member the Call Price. Upon payment of the Call Price, title to the Investor Member Membership Interest shall vest in the Purchaser, and the Investor Member shall no longer have a Membership Interest in the Fund.

(e) Each of the parties shall bear its own closing costs attributable to the exercise of the Call Option, except that the parties shall jointly bear the cost of any appraiser selected pursuant to this Section 3.

4. ***Fund Manager Membership Interest.*** Simultaneously with or at any time following the acquisition of the Investor Member Membership Interest by the Purchaser, the Fund Manager may put the Fund Manager Membership Interest or the Purchaser may call the Fund Manager Membership Interest for consideration of \$100. Upon payment of the consideration, title to the Fund Manager Member Membership Interest shall vest in the Purchaser, and the Fund Manager shall no longer have a Membership Interest in the Fund.

5. ***Documents and Actions.*** As a condition to payment of the Put Price or the Call Price (as the case may be), the Fund Manager and the Investor Member shall execute and deliver such documents, assignments, instruments, and other items, in such form and content as shall reasonably be required by the Purchaser, and shall take such other actions as shall reasonably be necessary, to transfer and assign the Membership Interests to the Purchaser as provided herein. The assignment of the Membership Interests shall be without representation or warranty, except that the Fund Manager and the Investor Member each represent and warrant that it is the sole owner of its Membership Interest, that its Membership Interest, except with respect to pledge of the Membership Interest if required in accordance with the Purchaser's loan to the Fund, is not subject to any charge, lien, pledge, or encumbrance of any kind, and that neither the Fund Manager nor the Investor Member has made, caused, or entered into any prior assignment or transfer of its Membership Interest or any portion thereof.

6. ***Certain Rights and Obligations.*** Upon the transfer of its Membership Interest, the Fund Manager and the Investor Member shall have no further obligations under the Fund Agreement, and the Purchaser shall indemnify and defend the Fund Manager and the Investor Member and hold it harmless against any such obligations, but in no event shall the Fund Manager and the Investor Member be indemnified for any loss, liability, cost, or expenses if and to the extent arising out of the Fund Manager's and the Investor Member's gross negligence or willful misconduct or with respect to any such obligations that had accrued prior to and as of the date of such transfer. The Purchaser shall take all action and shall pay all costs necessary to enable the Investor Member to receive and retain the Put Price or the Call Price, as the case may be, as against any creditor of the Purchaser. Notwithstanding the purchase and sale of the Investor Membership Interest pursuant to Section 2 or Section 3 above, to the extent permitted under the applicable provisions of the Code, the Investor Member shall be allocated any Profit, Loss, and Credits in respect of the Investor Member Membership Interest for the period prior to the date of the receipt by the Investor Member of the Put Price or the Call Price (as the case may be). Anything herein to the contrary notwithstanding, title to the Investor Member Membership Interest shall not vest in the Purchaser until payment in full of the Put Price or the Call Price (as the case may be) therefor. Upon such payment, the Purchaser shall forthwith cause an amendment to the Fund Agreement and shall cause any other necessary papers to be filed, recorded, and published wherever required by law showing such substitution.

7. ***Impact of Other Agreements and Documents.*** The obligations of the parties hereunder shall remain in full force and effect without regard to, and shall not be affected or impaired by, (a) any amendment or modification of or addition or supplement to the Fund

Agreement, (b) any extension, indulgence, or other action or inaction in respect of the Fund Agreement or the NDC CDE Agreement, or any exercise or non-exercise of any right, remedy, power, or privilege in respect of such agreements, or (c) any Bankruptcy, insolvency, reorganization, or similar proceeding involving or affecting the Purchaser. If the Purchaser purchases the Membership Interests in accordance with the applicable provisions of this Agreement, it shall have no further liabilities or obligations hereunder.

8. ***Notices and Demands.*** All notices, demands, or other communications hereunder shall be in writing and shall be (a) sent by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or (b) sent by personal delivery by a nationally recognized courier service for next day delivery, to the parties at the addresses set forth in the Fund Agreement or at such other addresses as such parties may designate by notice to the other parties:

If to the Investor Member:

Chase Community Equity, LLC
c/o JPMorgan Chase Bank, N.A.
560 Mission Street
San Francisco, California 94105
Attention: Elizabeth Tracey
Facsimile: _____

JPMorgan Chase Bank, N.A.
10 S. Dearborn, Floor 21
Mail Code: IL1-0953
Chicago, Illinois 60603-5506
Attention: NMTC Asset Manager
Facsimile: 312 233-2263
Email: nmtc.reporting@chase.com

With a copy to:

Bryan Cave LLP
1155 F Street N.W.
Washington, DC 20004
Attention: Jerome A. Breed
Facsimile: 202-220-7336

If to the Fund Manager:

Community Development Properties New Markets MM, Inc.
708 Third Avenue, Suite 710
New York New York 10017
Attention: Robert W. Davenport

With a copy to:

Law Office of Mark D. Foster
4835 LBJ Freeway, Suite 424
Dallas, Texas 75244
Attention: Mark D. Foster
Facsimile: 214-363-9551

If to the Purchaser:

City of San Jose
200 East Santa Clara Street, 10th Floor
San Jose, California 95113
Attention: Jo Zientek
Facsimile: 408-292-3211

With a copy to:

Kantor Taylor Nelson Boyd & Evatt PC
1501 Fourth Avenue, Suite 1610
Seattle, Washington 98101-3613
Attention: Thomas Nelson
Facsimile: 206-625-9951

All notices, demands, and requests shall be effective when actually received; provided however that rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice, demand, or request sent.

9. **General.** This Agreement (a) shall be construed in accordance with the internal law of the State of California, (b) shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, personal representatives, successors, and assigns of the parties hereto, and (c) may not be modified, amended, or terminated, except by a written agreement between the Purchaser and the Investor Member.

10. **Sole Benefit.** The obligations of each party hereunder are imposed solely and exclusively for the benefit of the other party and no other Persons shall have any standing to enforce such obligations or be deemed to be beneficiaries of such obligations.

11. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

12. **Attorneys' Fees.** In any dispute arising out of the Purchaser's exercise of its rights pursuant to Section 3 or Section 4 of this Agreement, the prevailing party shall be entitled to recover from the other party or parties, reasonable attorneys fees actually incurred by the prevailing party in enforcing such rights.

IN WITNESS WHEREOF, the parties have caused this Put/Call Option Agreement to be duly executed as of the date first written above.

FUND MANAGER:

**COMMUNITY DEVELOPMENT
PROPERTIES NEW MARKETS MM, INC.,**
a Delaware corporation

By: _____
Robert W. Davenport
Chairman

INVESTOR MEMBER:

CHASE COMMUNITY EQUITY, LLC,
a Delaware limited liability company

By: JPMorgan Chase Bank, N.A.,
its sole member

By: _____
Elizabeth Tracey
Vice President

PURCHASER:

CITY OF SAN JOSE, a California municipal
corporation

By: _____
Name:
Title: