

3 January 2023

US Masters Residential Property Fund ASX Code: URF

Finalisation of joint venture with Brooksville

As foreshadowed at the time of release of URF's half year accounts on 30 August 2022, URF has finalised its joint venture agreement and management agreements with Brooksville Company LLC ("**Brooksville**") and Pinnacle City Living, LLC (a New York based property management firm and subsidiary of Cushman & Wakefield) ("**Pinnacle**").

Under the terms of the agreements, URF will externalise the Fund's US REIT operating platform, with Brooksville and Pinnacle operating and managing the Fund's portfolio of 1-4 Family properties ("**Portfolio**"). As part of the joint venture, and as previously anticipated, Brooksville has made an investment of US\$1.5 million of their founders' capital into entities that own the Portfolio via a joint venture Delaware company ("**JV Company**"). URF intends to dedicate these proceeds to its ongoing buyback program. Vehicles owned by URF and Brooksville have entered into a joint venture agreement to govern the JV Company.

The JV Company has appointed:

- Brooksville as asset manager of the Portfolio under an asset management agreement ("**AMA**");
- Pinnacle as property manager of the Portfolio under a property management agreement ("**PMA**"); and
- Brooksville Advisors LLC, a New York limited liability company, as turnover manager of the Portfolio under a turnover management agreement ("**TMA**").

US Masters Residential (USA) Fund has appointed Brooksville as Australian services manager under an Australian services agreement ("**ASA**", together with the AMA, PMA and TMA, "**Management Agreements**").

The terms of the partnership were structured to create maximum alignment between Brooksville and URF unitholders, with the structure incentivising Brooksville to expeditiously return the maximum amount of capital to unitholders. Under the terms of the agreement, Brooksville will be required to deliver an 8% compound annual return above their entry valuation to URF unitholders before receiving any promotional interest incentive payment. As of the date of this announcement, this structure will require Brooksville to return approximately A\$0.40 cents per unit on a fully diluted basis (plus 8% compound annual returns over and above this level) to URF unitholders before receiving any incentive payment.

In an effort to generate returns for URF unitholders, Brooksville intend to undertake a number of initiatives designed to improve portfolio operating performance, including leveraging the use of technology to improve operating efficiency and better serve residents. More importantly, Brooksville's strategy to return capital to unitholders will predominately be driven by a continuation and acceleration of asset sales from URF's 1-4 Family portfolio. To this end, Brooksville will identify sub-markets with the strongest fundamentals and seek to accelerate the sales program in those locations. Furthermore, Brooksville will work with and carefully manage local brokers to minimise selling costs and ensure the

properties are aggressively marketed. Further updates on these initiatives will be released alongside the upcoming full year accounts.

A summary of material terms of the joint venture agreement and Management Agreements are included in Appendices I and II respectively.

Authorised for release by E&P Investments Limited (ACN 152 367 649 | AFSL 410 433), the Responsible Entity of the Fund.

Appendix I: Summary of material terms of the Joint Venture Agreement

The following is a summary of the principal provisions of the Limited Liability Company Agreement (the “**Agreement**”) of USM 3 LLC, a Delaware limited liability company (the “**JV Company**”). The figures below are in US dollars unless otherwise stated.

Members

US Masters 2 LLC, a Delaware limited liability company (“**URF Member**”)

Sloop Island, LLC, a Delaware limited liability company (“**BP Member**” or “**Operating Member**”)

Percentage Interests

URF Member – 99.1%, as the same may be adjusted in accordance with Section 3.3 of the Agreement

BP Member – 0.9%, as the same may be adjusted in accordance with Section 3.3 of the Agreement

Initial Capital Contributions

URF Member – \$166,352,343

BP Member – \$1,500,000

Distributions [§5.1]

- (a) first, to repay accrued and unpaid return on any Venture Loan (defined below) made by a Member;
- (b) second, to repay any unpaid Venture Loan (which distributions, if there is more than one Venture Loan outstanding at any time, shall be made in the same chronological order in which such Venture Loans were made (i.e., repayment of the earliest such Venture Loan shall be paid first));
- (c) third, to the Members pro rata in proportion to their Percentage Interests until each Member has received cumulative Distributions (excluding on account of any Venture Loans or any Venture Loan Returns thereon) pursuant to this subsection (c) that results in each Member achieving an IRR of eight percent (8%) on, all Capital Contributions made by such Member; and
- (d) fourth, (i) 25% (the “**Promotional Percentage**”) to Operating Member (as such percentage may be adjusted in accordance with the Agreement) and (ii) 75% to the Members pro rata in proportion to their Percentage Interests.

If (a) a For Cause Removal resulting from a Bad Act (described below) occurs or (b) BP Member resigns as Operating Member, then amounts that would have been distributed on account of such Promotional Interest shall be distributed to the Members on a pro rata basis.

The above distributions are also subject to customary make-well, true-up and tax distribution provisions.

Management and Operations [§§6.3-6.5]

The day-to-day affairs of the JV Company will be managed by the Operating Member, subject to the Approved Annual Budget and Approved Business Plan, provided that certain actions, defined as “**Major Decisions**”, cannot be taken without the written approval of URF Member. URF Member may take any Major Decision unilaterally (other than Fundamental Decisions). Major Decisions include, without limitation:

- (1) the voluntary merger, consolidation, dissolution, liquidation, winding up, termination or liquidation of the JV Company or any Subsidiary;
- (2) acquiring, directly or indirectly, any real property, or any material tangible or intangible personal property or any interest therein, or causing the JV Company or any Subsidiary to enter into any agreement for such purposes;
- (3) (a) selling, transferring, assigning or otherwise disposing of (a “**Conveyance**” agreement for a Conveyance, other than a Conveyance with respect to (i) items of personal property in the ordinary course of business, (ii) a Property where the sale price is equal to or greater than ninety-five percent (95%) of the Approved Sale Price for such Property and the applicable purchaser/transferee is not acquiring more than one Property; or (b) entering into any amendment, renegotiation, modification, supplement or extension of a binding agreement relating to any Conveyance previously approved as a Major Decision;
- (4) (a) other than in accordance with the Approved Business Plan, causing or permitting any Subsidiary to enter into any leases, licenses or other occupancy agreements of any portion of any Property or (b) modifying or amending any Lease or consenting to the cancellation or surrender of or termination of any Lease, whether now existing or hereafter entered into;
- (5) causing the JV Company or any Subsidiary to obtain any Loans, or incurring, renewing, refinancing or paying or otherwise discharging any Loans (or permitting any Subsidiary to do any of the foregoing); or amending or modifying any Loan or any Loan Documents;
- (6) to the extent that (a) an Approved Annual Budget (or relevant portion thereof) is not yet in effect for the then current Fiscal Year, incurring, or permitting, or causing to be incurred, any capital, operating or other expenditures that (i) as to any individual item, exceeds the greater of (y) \$75,000, or (z) five percent (5%) of the budgeted amount, or (ii) in the aggregate, cause all expenditures to be greater than one hundred five percent (105%) of the total Approved Annual Budget, in each case as in the most recent Approved Annual Budget, or (iii) have not otherwise been previously approved in writing by URF Member; and (b) an Approved Annual Budget (or relevant portion thereof) is in effect for the then current Fiscal Year, incurring or permitting or causing to be incurred, any capital, operating or other expenditures that (i) as to any individual item, exceeds the greater of (y) \$75,000, or (z) five percent (5%) of the budgeted amount, or (ii) in the aggregate, cause all expenditures to be greater than one hundred five percent (105%) of the Approved Annual Budget; provided, however, that in all events Operating Member may incur or permit or cause to be incurred capital or operating expenditures for Emergency Expenditures upon at least one (1) day prior notice to URF Member, or, with such shorter or no prior notice (but with subsequent notice as soon as possible) as is reasonable under the circumstances.
- (7) other than in connection with a Transfer permitted pursuant to Article 8, admitting or permitting, or causing any Subsidiary to admit, new or substitute members or causing the

JV Company to redeem or repurchase all or any Interest of a Member, any Subsidiary Interests or any Company Property;

- (8) causing or consenting to the taking of any Bankruptcy Action in respect of the JV Company or any Subsidiary;
- (9) except as expressly provided in the Approved Annual Budget, (a) establishing Reserves or (b) other than with respect to the Working Capital Reserve, utilizing more than twenty-five percent (25%) of a Reserve;
- (10) taking or permitting or causing any Subsidiary to take any affirmative action that would constitute a default under any Loan of the JV Company or any Subsidiary;
- (11) other than as expressly set forth in the Agreement, adopting or modifying an Approved Annual Budget or Approved Business Plan;
- (12) making distributions to the Members other than in strict accordance with the Agreement;
- (13) other than pursuant to the Approved Annual Budget, (a) entering into, or causing or permitting any Subsidiary to enter into, any agreement or contract or any other general contract, subcontract or consulting agreement or turnover management agreement pursuant to which the JV Company or any Subsidiary would have obligations in excess of \$50,000 or that is binding for more than one (1) year, or (b) amending or modifying any previously approved agreement described in clause (a) above other than ministerial, non-material modifications;
- (14) entering into, modifying or terminating a property management agreement, turnover management agreement or asset management agreement or any other transaction with an Affiliate of a Member (including any modification of any Management Agreement);
- (15) the employment of employees of the JV Company; and
- (16) selecting, retaining or entering into any agreement with any asset manager, turnover manager or property manager.

Fundamental Decisions [§6.5]

The following actions require the approval of the unanimous consent of the Members (a) issuance or sale of additional Interests or admission of a new member in the JV Company or a Subsidiary unless such issuance, sale or admission will not disproportionately dilute the Interest of BP Member and will not reduce the Promotional Percentage to the extent BP Member is entitled to receive the same (and in any event no such dilution shall be considered with respect to any calculation related to a BP Event of Default); (b) entering into any agreement with an Affiliate of URF Member, on other than arm's-length terms; (c) adopting, modifying, amending or replacing an Approved Business Plan constituting a change in the purpose or nature of the Business of the JV Company or any Subsidiary Business from that most recently in effect (provided that, from and after a Removal, the matters set forth in this subclause (c) shall not constitute a Fundamental Decision), (d) changing the Business of the JV Company or any Subsidiary Business, (e) making any tax election or other tax determination that would reasonably be expected to be disproportionate and materially adverse to BP Member, and such election or determination would result in BP Member being subject to U.S. federal income tax without the receipt of a corresponding distributing of cash from the JV Company

with which to pay such tax, or (f) amending the Agreement or the Certificate of Formation or any Subsidiary Organizational Documents which would modify BP Member's material obligations or economic rights (subject to clause (a) of this definition) or right to approve Fundamental Decisions or that would modify the definition of "Fundamental Decisions."

For Cause Removal [§6.13]

URF Member shall have the right to remove BP Member as Operating Member of the JV Company upon the occurrence of the following events of default:

- (a) fraud, gross negligence, intentional misrepresentation or wilful misconduct perpetrated by or at the direction of BP Member, any Key Principal or any Affiliate of the foregoing with respect to the JV Company, any Subsidiary and/or any Property or in connection with the Agreement or any Affiliate Agreement, subject to the Employee Cure Right;
- (b) the taking of any action by or at the direction of BP Member, any Key Principal or an Affiliate of any of the foregoing which results in an event of default (beyond applicable notice, grace and cure periods) under any Loan;
- (c) misappropriation by or at the direction of BP Member, any Key Principal or any Affiliate of any of the foregoing, of funds of the JV Company, any Subsidiary and/or with respect to any Property, subject to the Employee Cure Right;
- (d) (i) the occurrence of a Bankruptcy Action with respect to BP Member, both Key Principals, the JV Company and/or any Subsidiary without the written consent of URF Member, or (ii) the admission in writing by BP Member, any Key Principal, or any obligor or guarantor which, in either case, is an Affiliate of BP Member, with respect to a Loan, of the inability of such Person to pay their respective debts as they come due or in violation of the Agreement or the Loan Documents;
- (e) the conviction (or a guilty plea or nolo-contendere plea in connection therewith) of BP Member and/or any Key Principal of any non-vehicular felony not involving acts expressly authorized or required under the Agreement or directed or required by URF Member in writing;
- (f) BP Member fails or refuses to implement any action which BP Member has the obligation to cause the JV Company to take pursuant to the provisions of the Agreement (subject to notice and cure);
- (g) BP Member takes an action which constitutes a Major Decision without URF Member's prior written approval and fails to unwind such action (subject to notice and cure);
- (h) any misrepresentation not otherwise set forth in this definition by BP Member, any Key Principal, BP Indemnitor or any Affiliate of the foregoing in the Agreement or any other agreement to which the Members or their Affiliates are parties, as applicable, with respect to the JV Company or the Company Property (subject to notice and cure);
- (i) a breach or default by BP Member, any Key Principal or any Affiliate under an Affiliate, where such failure continues beyond the expiration of any applicable notice and cure period provided in such Affiliate Agreement;

- (j) the failure of the BP Control Standard to be satisfied;
- (k) BP Member effects a Transfer which is in violation of the Agreement;
- (l) if, as a result of the failure of BP Member to make Additional Capital Contributions, the Percentage Interest of BP Member is diluted to an amount equal to or less than 25% of the Percentage Interest of BP Member as of the Effective Date;
- (m) BP Indemnitor's failure to timely pay amounts payable by BP Indemnitor in connection with Existing Loan Guaranties or New Loan Guaranties;
- (n) BP Member's failure to convey its Interest as and when required in accordance with the Agreement;
- (o) a breach hereunder (other than those breaches otherwise described in the foregoing subsections (a)-(n)) (x) by BP Member or BP Indemnitor or (y) with respect to a Key Principal or Affiliate of BP Member or BP Indemnitor (subject to notice and cure).

BP Member, however, only loses its right to the Promotional Distribution if the subject For Cause Removal was for a "Bad Act" (i.e., the For Cause Removal events set forth in (a), (c), (d), (e), (j), (k) and (n)).

Even if BP Member has not lost its right to obtain the Promotional Interest because the subject For Cause Removal was not the result of a Bad Act, URF Member, as its sole option, will still have the option to crystallize BP Member's Promotional Distribution from and after the five-year anniversary of the Effective Date (as further described in the "Crystallization" section below).

For the avoidance of doubt, a Bad Act committed by an Affiliate of BP Member under the Asset Management Agreement or the Turnover Management Agreement, as applicable, constitutes a Bad Act under the Agreement.

Additional Capital Contributions [§3.3]

URF Member is permitted to call for Additional Capital Contributions in excess of Initial Capital Contributions for any purpose. Each Member must pay its pro rata share of any Additional Capital Contribution.

In the event that a Member (the "**Declining Member**") fails to timely fund its portion of any Additional Capital Contribution, and the other Member (the "**Non-Declining Member**") funds its portion of such Additional Capital Contribution, then the Non-Declining Member shall have the option to also fund the Declining Member's portion of such Additional Capital Contribution. In the event the Non-Declining Member elects to fund both its portion and the Declining Member's portion of such Additional Capital Contribution, then the substitute contribution shall be deemed a loan on a non-recourse basis from the Non-Declining Member to the JV Company (a "**Venture Loan**"), which Venture Loan shall bear interest at a rate equal to twenty percent (20%) per annum. If any such Venture Loan is not repaid within ninety (90) days, the Non-Declining Member may elect to treat such unpaid Venture Loan (or portion thereof) as a "Substituted Capital Contribution" and the Percentage Interest of the Declining Member (but not the Promotional Percentage, if applicable) will be diluted based a dilution factor of fifty percent (50%) of the amount of the above Substituted Capital Contribution and the Percentage Interests of the Members will be adjusted accordingly.

The JV Company shall establish a Working Capital Reserve, which Reserve shall be included in each Approved Annual Budget in an amount of not less than the Working Capital Floor; provided

that (i) any adjustments to the amount of Working Capital Reserve proposed by BP Member shall be subject to URF Member's approval in the same manner that a proposed Annual Budget is subject to URF Member's approval, and (ii) URF Member shall not have the right to, and shall not, unreasonably adjust the amount of the Working Capital Reserve; and (b) may be used and replenished as described below. The Working Capital Floor shall initially be \$2,000,000.00; provided, that, on an annual basis the parties shall evaluate the Working Capital Floor and adjust the same (acting reasonably and in good faith) to account for previous sales of Properties and any anticipated shortfalls in cash flow in the forthcoming year; provided, further, that (i) any adjustments to the amount of the Working Capital Floor proposed by BP Member shall be subject to URF Member's approval in the same manner that a proposed Annual Budget is subject to URF Member's approval, and (ii) URF Member shall not have the right to, and shall not, unreasonably adjust the amount of the Working Capital Floor without the prior consent of BP Member (not to be unreasonably withheld, conditioned or delayed).

BP Member, as Operating Member, shall have the right to (a) use amounts in a Working Capital Reserve to fund Base Expenditures, and (b) to cause the Working Capital Reserve to be replenished out of Revenues to the then-applicable amount. Operating Member must notify URF Member in writing before the use of amounts in the Working Capital Reserve where use of such amounts would result in amounts on deposit in the Working Capital Reserve falling below (i) fifty percent (50%) of the Working Capital Floor, or (ii) twenty-five percent (25%) of the Working Capital Floor. If Working Capital Reserves or other funds of the JV Company or the Subsidiaries are not then available or are projected to be insufficient, Operating Member shall have the right to use Available Cash to fund Base Expenditures, in which event the amount of Available Cash used for such Base Expenditures shall be deemed Distributions and the Members shall be deemed to have made Additional Capital Contributions from such Distributions in accordance with their Percentage Interests. "Base Expenditures" include (A) expenditures set forth in the Approved Annual Budget, (B) Emergency Expenditures, and (C) payments necessary to avoid an imminent event of default under any Loan (other than repayment of the then outstanding principal balance of the Loan).

With respect to any financing entered into by the JV Company or any of its Subsidiaries, BP Member (and the entity guaranteeing its obligations with respect thereto) shall only be responsible for guaranty liability accruing under financing in effect as of the Effective Date if caused by BP Member's or its Affiliates' bad acts. With respect to financing entered into after the Effective Date, creditworthy Affiliates of URF Member and BP Member shall enter into any commercially reasonable required guaranties and, with respect to guaranty liability accruing under such financing, each Member (and its creditworthy Affiliate) shall be responsible for such Member's pro rata share of any such guaranty liability, except that each Member (and its creditworthy Affiliate) shall be responsible for such Member's and its Affiliates' bad acts. URF Member shall have the unilateral right to cause the JV Company and/or any of its Subsidiaries to enter into financing.

Representations of URF Member [§2.7.2]

The Agreement contains customary representations with respect to (i) the pre-existing liabilities of the JV Company and its Subsidiaries, (ii) the organizational structure of the JV Company and its Subsidiaries as well as (iii) the Properties and its operations. The parties have agreed that any liability caused by breaches of property-level representations are to be capped at \$1,250,000.

Approved Annual Budget and Approved Business Plan [§16.4]

URF Member has the right to approve the Approved Annual Budget as a Major Decision. Each of BP Member (unless it has been Removed) and URF Member shall each have the right to approve

any changes to the Annual Business Plan constituting a change in the purpose or nature of the Business of the JV Company or any Subsidiary Business from that most recently in effect, while any other changes shall be subject only to URF Member approval.

Management Agreements [§6.6]

If there is any contract, agreement, transaction, commitment or arrangement between the JV Company or any Subsidiary on one hand, and a Member or an Affiliate of a Member on the other hand (an “**Affiliate Agreement**”), then the other Member shall have the right unilaterally (but not the obligation) to make any decision by the JV Company to exercise any right or remedy by reason of a default by such Affiliate (including termination), or to waive or grant forbearance with respect to any such default, or extend or modify such Affiliate Agreement.

Simultaneously with the JV Agreement, the JV Company or its Subsidiaries, is also entering into the following agreements (i) a Turnover Management Agreement with an affiliate of Brooksville, and (ii) an Asset Management Agreement with an affiliate of Brooksville. The PMA with Pinnacle City Living, LLC the ASA with an affiliate of Brooksville are not treated as affiliate agreements under the Agreement.

Restrictions on Transfer of Interests [§§8.1-8.2]

Subject to BP Member’s tag-along right described below, URF Member may, without the consent of BP Member, Transfer all or any part of its (direct or indirect) Interest, whether legal or beneficial, in the JV Company or any Subsidiary thereof.

Operating Member may make the following transfers of its direct or indirect interest, as applicable, in the JV Company without the consent of URF Member: (i) certain estate planning transfers, (ii) transfers of direct and indirect interests in BP Member and (iii) transfers of BP Member’s entire direct interest in the JV Company to an Affiliate, so long as, in each case, the BP Control Standard remains satisfied.

“**BP Control Standard**” means a condition relating to the management and control of BP Member, which condition shall be deemed to have been satisfied if (a) Key Principal(s), Immediate Family Members of any Key Principal(s), and/or one or more Persons Controlled by Key Principal(s) (in the aggregate, if applicable) shall at all times own, directly or indirectly, an aggregate of not less than sixty-six percent (66%) of the equity in BP Member, and (b) Key Principal(s) shall at all times Control BP Member.

“**Key Principal**” means any of (i) Andrew MacArthur, (ii) Eric Magidson, or (iii) any other additional or replacement individual(s) approved by URF Member in its good faith discretion and (b) Key Principal(s) shall at all times Control BP Member.

If URF Member desires to complete a Transfer of its Interest that must be approved or recommended by the board of any of URF Member, URF Indemnitor, or URF Indemnitor’s ultimate parent or approved by the shareholders or equity owners of URF Member, URF Indemnitor, or URF Indemnitor’s ultimate parent (such interest being transferred, the “URF Tag-Along Interest”), to a Person that is not an Affiliate of URF Member (an “**Interest Sale**”), BP Member may, in its sole discretion, elect to participate in such Interest Sale and require URF Member to sell, exchange or otherwise dispose of all of all (but not less than all) of the Interests held by BP Member (the “**BP Tag-Along Interest**”) pursuant to such Interest Sale and otherwise on the same terms and conditions upon which URF Member proposes to sell, exchange or otherwise dispose of its URF

Tag-Along Interest. Regardless of whether BP Member exercises the Tag Along Right, an Interest Sale shall be deemed an event generating Capital Proceeds with respect to BP Member's rights to receive the Promotional Distribution (to the extent BP Member is otherwise entitled thereto).

Crystallization [§5.4]

Upon the date that (a) any of the Asset Management Agreement, the Turnover Management or the Property Management Agreement have expired in accordance with their terms (other than any termination for cause), or (b) URF Member has terminated any of such agreements (other than any termination for cause) or has not offered a renewal of any of such agreement on substantially similar terms (other than as a result of termination for cause), URF Member shall send a notice to BP Member with respect to the purchase of all of BP's Member's Interest in the JV Company (a "**Crystallization Notice**") for an amount based on the fair market value of the Properties as determined by an appraisal process. In addition, from and after the five-year anniversary of the Effective Date, URF Member may, at the sole option of URF Member, send a Crystallization Notice with respect to the purchase of all of BP Member's Interest in the JV Company for such amount.

Expenses [§6.8]

The Members are entitled to reimbursement for their reasonable out-of-pocket expenses incurred with respect to the Portfolio, provided, however, in any Fiscal Year, URF Member is only entitled to reimbursement up to the amount of URF Corporate Expenses (i.e., overhead or administrative costs incurred by URF Member or any Affiliate thereof in connection with the Portfolio, provided, however, such amount shall not exceed the sum of (i) 0.08% of the Gross Portfolio Value and (ii) \$650,000 in any Fiscal Year).

Appendix II: Summary of material terms of the Management Agreements

Services:

- **1 Asset Management Agreement (“AMA”)** – Brooksville Company, LLC, a New York limited liability company, is appointed by the JV Company to provide customary asset management services to the JV Company and its Subsidiaries in accordance with the “Performance Standard” (i.e., provided funds are made available therefor, in a diligent, business-like manner, exercising such skill, care, diligence and attention as a prudent asset manager with sophistication and experience in managing properties of the like would exercise). The services include, without limitation, to:
 - (i) oversee, coordinate and process the operations, including without limitation, the management on a day-to-day basis, of the Portfolio in accordance with the Approved Annual Budget and Approved Business Plan;
 - (ii) coordinate and assist in the preparation of such budgets and operating plans of the JV Company as are required under the JV Company operating agreement, and other plans and specifications related to the Portfolio;
 - (iii) facilitate the ownership, operation and administration of the Portfolio;
 - (iv) oversee the approval and implementation of leasing guidelines and the performance of the Property Manager under the Property Management Agreement;
 - (v) evaluate, advise, oversee and coordinate the JV Company’s disposition strategy;
 - (vi) evaluate and advise the JV Company on plans and strategies for executing capital expenditures; and
 - (vii) provide to the JV Company from time to time and upon reasonable prior request, reports with regard to the financial position of the Portfolio and financial projections produced in the ordinary course of performance of the asset management services.

Asset Manager has an obligation to not engage in wilful misconduct, gross negligence, etc. A breach of the foregoing (beyond all applicable notice and cure periods and subject to the right to remove rogue employees) is an event of default by Asset Manager entitling the JV Company to terminate the AMA.

- **2 Property Management Agreement (“PMA”)** – Pinnacle City Living, LLC, a Delaware limited liability company, is appointed by the JV Company and the property owners (collectively, “Owner”) to provide customary property management services to the Owners.

Property Manager shall, at the expense of the Owner, manage, operate, maintain and repair the Portfolio in accordance with the Performance Standard (i.e., consistent with industry standards of property managers in the respective geographic market for residential properties of comparable class and of similar size to the properties) and do all things necessary, desirable or appropriate therefor, subject to and within Approved Annual Budget (or permitted pursuant to the variance threshold approved by Owner) or otherwise specifically provided for in the PMA, including, without limitation:

- (i) implement the budget and the leasing programs established pursuant to the PMA;
- (ii) make recommendations to Owner regarding the making or renewal of all contracts for goods and services necessary or appropriate for the management and operation of the Properties in accordance with the Approved Annual Budget and the PMA; to solicit bids therefor as necessary or appropriate; to sign all contracts in the name of Owner as agent on behalf of Owner; and to perform,

on Owner's behalf, Owner's obligations under the contracts, in each case, subject to the terms of the PMA; and

(iii) purchase all supplies, inventories, provisions and equipment necessary or appropriate for the maintenance, management and operation of the Properties in accordance with the Approved Annual Budget (subject to the variance threshold) and the terms of applicable contracts. Property Manager employs all property-level employees, with reimbursement therefore subject to the Approved Annual Budget.

The Property Manager has an obligation to not engage in wilful misconduct, gross negligence, etc. A breach of the foregoing (beyond all applicable notice and cure periods) is an event of default by Property Manager entitling Owner to terminate the PMA.

- 3 Turnover Management Agreement ("TMA") - Brooksville Advisors LLC, a New York limited liability company, is appointed by the JV Company to provide customary turnover management services to the JV Company and its Subsidiaries in accordance with the Performance Standard (i.e., in a manner consistent with the degree of skill ordinarily exercised by managers of similar size to Turnover Manager when performing similar services for projects of similar size and scope to the applicable turnover work, and under the same or similar circumstances or conditions). The services include, without limitation, to (i) propose a budget for turnover work, (ii) monitor, coordinate and oversee the design, permitting, construction and installation of the turnover work and any demolition necessary to perform the turnover work, (iii) serve as the JV Company's liaison with respect to the turnover work with all construction managers, design consultants, contractors and other construction related professionals, (iv) prepare punch lists and (v) coordinate implementation of change orders.

The Turnover Manager has an obligation to not engage in wilful misconduct, gross negligence, etc. A breach of the foregoing (beyond all applicable notice and cure periods and subject to the right to remove rogue employees) is an event of default by Turnover Manager entitling the JV Company to terminate the TMA.

- 4 Australian Services Agreement ("ASA") - Brooksville Company, LLC, a New York limited liability company, is appointed by US Masters Residential (USA) Fund ("REIT") to (i) cause the conversion of the JV Company's financials to the extent necessary to comply with International Financial Reporting Standards (IFRS) no more frequently than semi-annually; (ii) provide support to the REIT in completing any Australian audits or any filings required by the Australian Securities Exchange; and (iii) as reasonably requested by the REIT in writing: (1) advise on, coordinate and assist the REIT in reporting with respect to the ASX and the REIT's Australian investors; (2) advise on and assist with other Australian public company matters of the REIT with respect to the REIT's interests in the JV Company and the Property; and (3) perform services related to the REIT's interests in the JV Company and the Property that are not otherwise the obligations of BP Member, any of its affiliates or any other manager under any of the Management Agreements and are required by URF.

Term:

- 1 AMA
 - Term: 5 years, unless earlier terminated
 - Extension: Automatically renews for successive 1-year periods if not terminated

- If the AMA is terminated (other than in the case of the disposition of the entire Portfolio) and all functions of Asset Manager are not being performed by a property manager, the JV Company intends to replace Asset Manager with another asset manager satisfying the Performance Standard and otherwise acceptable to the JV Company and its lender(s).
- 2 PMA
 - Term: 5 years, unless earlier terminated
 - Extension: Automatically renews for successive one-month periods if not terminated
 - If the PMA is terminated (other than in the case of the disposition of the entire Portfolio), Owner intends to replace Property Manager with another property manager satisfying the Performance Standard and otherwise acceptable to Owner and its lender(s).
- 3 TMA
 - Term: 5 years, unless earlier terminated
 - Extension: Automatically renews for successive 1-year periods if not terminated
 - If the TMA is terminated (other than in the case of the disposition of the entire Portfolio) and all functions of Turnover Manager are not being performed by a property manager, the JV Company intends to replace Turnover Manager with another turnover manager satisfying the Performance Standard and otherwise acceptable to the JV Company and its lender(s).
- 4 ASA
 - Term: 5 years, unless earlier terminated
 - Extension: Automatically renews for successive 1-year periods if not terminated
 - At any time (whether during the initial term or any extension term), the REIT may terminate the Agreement upon at least 30 days' notice to Service Manager.

Exclusivity:

- 1 AMA – Asset Manager has no right to directly or indirectly assign its rights or obligations under the AMA, other than to an affiliate of Asset Manager. The AMA does not contain any restrictions on (i) the right of the JV Company to appoint a party other than Asset Manager or (ii) the right of Asset Manager to provide services to any parties other than the JV Company.
- 2 PMA – Property Manager is not permitted to assign the PMA, unless expressly consented to in writing by Owner in its sole and absolute discretion. Property Manager, with Owner's consent, which may be given or withheld in Owner's sole discretion, shall have the right to assign the PMA and its rights and interests thereunder to any successor or assignee of Property Manager that may result from any merger, consolidation or reorganization with, or any sale or assignment to, any entity that shall acquire all or substantially all of Property Manager's property management business; provided, however, that following such assignment the PMA shall be immediately terminable by Owner at any time without payment of any additional fee. The PMA does not contain any restrictions on (i) the right of the Owner to appoint a party other than Property Manager or (ii) the right of Property Manager to provide services to any parties other than Owner.
- 3 TMA – Turnover Manager has no right to directly or indirectly assign its rights or obligations under the AMA, other than to an affiliate of Turnover Manager. The TMA does not contain any restrictions on

- (i) the right of the JV Company to appoint a party other than Turnover Manager or (ii) the right of Turnover Manager to provide services to any parties other than the JV Company.
- 4 ASA – Service Manager has no right to directly or indirectly assign its rights or obligations under the ASA, other than to an affiliate of Service Manager. The ASA does not contain any restrictions on (i) the right of the REIT to appoint a party other than Service Manager or (ii) the right of Service Manager to provide services to any parties other than the REIT.

Management fees and other consideration:

- 1 AMA – \$1m per year, subject to annual CPI adjustments. Reimbursement for expenses limited to those set forth in the Approved Annual Budget or as otherwise approved by the JV Company.
- 2 PMA – 2.85% of gross receipts collected during the subject month. Owner must also reimburse Property Manager for all reasonable out-of-pocket-expenses set forth in the Approved Annual Budget (or otherwise approved by Owner) and (ii) fees incurred by Property Manager in connection with any Capital Event. Property Manager is also entitled to compensation for certain to-be-determined centralized services to the extent set forth in the Approved Annual Budget.
- 3 TMA – Turnover Manager is entitled to reimbursement by the JV Company of the following: (i) the aggregate compensation and other benefits (including payroll taxes associated therewith) payable to Turnover Manager’s employees based on the anticipated all-in annual compensation for each such employee divided by 2,080 and multiplied by the hours spent (including, without limitation, travel time) by such employee during the prior month in providing the services), and (ii) reasonable and customary out-of-pocket expenses incurred by Turnover Manager in connection with performance of the services set forth in the Approved Annual Budget or as otherwise approved by the JV Company, including, without limitation, commercially reasonable travel expenses for travel to and from the Properties.
- 4 ASA – Service Manager is entitled to reimbursement by the REIT of the following: (i) compensation, benefits and payroll taxes (as such amount may increase annually, provided that annual discretionary increases in compensation shall be subject to REIT’s prior approval, not to be unreasonably withheld, conditioned or delayed) with respect to the Approved Employees and (ii) all reasonable and customary out-of-pocket expenses incurred by Service Manager in connection with performance of the services, including, without limitation, commercially reasonable travel expenses for travel, but subject to certain exclusions.

Termination:

- 1 AMA – The AMA shall continue in full force and effect until earlier of (1) the expiry of the initial term (unless extended in accordance with the AMA); and (ii) the occurrence of a Termination Event.

On the occurrence of any Termination Event the agreement shall automatically terminate without payment of a termination fee by the JV Company provided, however, that in the event of such termination, the JV Company shall pay the Asset Manager all accrued but unpaid fees up to and including the date of such termination. Termination Events include

(i) by the JV Company, at the sole option of the JV Company following the end of the initial term and upon delivery of a First Crystallization Election Notice;

(ii) by Asset Manager at the sole option of Asset Manager, up on the sale of all the Properties;

(iii) by the JV Company, at the sole option of the JV Company, if Asset Manager files a petition for bankruptcy, reorganization or arrangement or makes an assignment for the benefit of creditors or takes advantage of any insolvency or similar law, or if a receiver or trustee is appointed for the assets or business of Asset Manager and is not discharged within ninety (90) days of such appointment;

(iv) if all or substantially all of the Portfolio shall be taken by condemnation;

(v) by the JV Company, at the sole option of the JV Company, upon the fraud, gross negligence, intentional misrepresentation or wilful misconduct of Asset Manager, subject to the right to remove rogue employees;

(vi) by the JV Company at the sole option of the JV Company, due to Asset Manager's material default that remains unremedied for a period of thirty (30) days from the date the JV Company gives written notice to Asset Manager of such material default; provided, however, that, with respect to a material default that cannot reasonably be cured within such 30-day period, then, so long as Asset Manager is diligently pursuing such cure, such 30-day cure period shall be extended for so long as is reasonably necessary for Asset Manager to effectuate such cure, provided that Asset Manager commences such cure during such applicable period and thereafter pursues such cure with commercially reasonable diligence and such additional time shall not exceed seventy-five (75) days and further provided that in no event shall a material default exist if performance of the applicable obligation is a JV Company cost and no funds are available for such performance;

(vii) if none of Brooksville or any Affiliate of Asset Manager or Brooksville is a Member of the JV Company; or

(viii) by the JV Company, at the sole option of the JV Company in accordance with the JV Agreement, if BP Member is removed as Operating Member.

Upon the expiration or termination of the Term, Asset Manager shall promptly, at the JV Company's sole cost: (i) deliver to the JV Company all books, records, files, contracts, and other documents relating to the Properties and/or the performance of the services, and all funds in Asset Manager's possession belonging to the JV Company; (ii) assign, transfer, or convey to the JV Company all contracts and personal property solely relating to or used with respect to the performance of the services under the agreement except personal property owned by Asset Manager; and (iii) remove all signs that it placed at any Property indicating that it is Asset Manager of same and restore all damage resulting therefrom. Asset Manager shall also, for a period of ninety (90) days after the later to occur of the date of such expiration or termination of the Term or the date on which Asset Manager stops performing the services, make itself available, upon reasonable prior notice and at commercially reasonable times and dates, to consult with and advise the JV Company regarding the transition of performance of the services and the transfer of accounts and accounting systems in connection therewith, in exchange for which Asset Manager shall receive reasonable out-of-pocket costs and expenses, if any, incurred by Asset Manager in connection therewith incurred from and after the date of such expiration or termination.

- 2 PMA –

The PMA shall terminate:

- (i) At the end of the initial term, unless extended or sooner terminated in accordance with the PMA;
- (ii) In accordance with the following:

- a. at Owner's election upon the bankruptcy of Owner, the dissolution or termination of the existence of Owner by merger or consolidation, or a change in control in Property Manager (other than as expressly permitted in the PMA);
- b. automatically upon the sale of the entire Portfolio or the interests therein, unless prior notice is given to Property Manager;
- c. by Owner on ten days' prior written notice upon a casualty or condemnation of the entire Portfolio;
- d. by Owner with or without cause upon 30 days' prior written notice (or immediately with the payment of one-month's management fee);
- e. immediately by Owner upon written notice for cause. For cause removal events include:
 - (a) Property Manager's misappropriation, gross negligence, bad faith, fraud, malfeasance, intentional breach of fiduciary duty, or wilful, reckless or criminal misconduct;
 - (b) Property Manager's real estate brokerage license is suspended or terminated, if such license is required as a condition to managing or leasing the Property;
 - (c) Property Manager's payment default,
 - (d) Property Manager's failure to provide evidence of insurance,
 - (e) Property Manager's failure to execute financing documents,
 - (f) other breaches of the PMA (beyond applicable notice and cure periods),
 - (g) Property Manager's bankruptcy,
 - (h) the dissolution or termination of the existence of Property Manager by merger or consolidation.

Following a termination, Property Manager shall cooperate with Owner and Owner's agent and representatives, including, without limitation, Owner's or any lender's or subsequent owner's new property manager, to effectuate an orderly transition in connection with the management and/or operation of the Properties, including, without limitation, delivery of any funds owed to Owner and/or tenant security deposits held or received by Property Manager for Owner's account, (ii) a final accounting within sixty (60) days after the last day of the calendar month in which such termination occurs (provided that Owner makes information available to, and reasonably cooperates with, Property Manager in connection with the same).

- 3 TMA – The TMA shall continue in full force and effect until earlier of (1) the expiry of the initial term (unless extended in accordance with the agreement); and (ii) the occurrence of a Termination Event. Termination Events are substantially similar to those set forth in the AMA.
- 4 ASA -
 - (i) Following five-year initial term, agreement automatically renews for successive 1-year periods if not terminated.
 - (ii) At any time (whether during the initial term or any extension term), the REIT may terminate the Agreement upon at least 30 days' notice to Service Manager.
 - (iii) Agreement also terminates (i) from and after the resignation or termination of any Approved Employee, or if any Approved Employee is unavailable due to permanent or long-term disability, by Service Manager at the sole option of Service Manager upon thirty (30) days' prior written notice to the JV Company; or (ii) concurrent with termination of the Asset Management Agreement.

Upon the expiration or termination of the Term, (A) Service Manager shall promptly, at the REIT's sole cost, deliver to the REIT all books, records, files, contracts, and other documents relating to the performance of the Services, and (B) any severance payable to Approved Employees terminated by Service Manager concurrent with or related to such expiration or termination of the Term shall be reimbursed by the REIT to Service Manager.

Amendment:

- 1 AMA – No purported amendment to or waiver of any term of the AMA will be binding upon any party, or have any other force or effect in any respect, unless the same is in writing and signed by the party to be charged.
- 2 PMA - No provision of the PMA shall be modified, waived or terminated except by an instrument in writing signed by the party against whom such modification, waiver or termination is to be enforced.
- 3 TMA – No purported amendment to or waiver of any term of the TMA will be binding upon any party, or have any other force or effect in any respect, unless the same is in writing and signed by the party to be charged.

Note that any amendment to any Management Agreement is considered as a Major Decision by the JV Company which requires approval of the URF Member under the JV Agreement.

- 4 ASA - No purported amendment to or waiver of any term of the ASA will be binding upon any party, or have any other force or effect in any respect, unless the same is in writing and signed by the party to be charged.

Powers and discretions:

- 1 AMA – Asset Manager is not permitted or required to take any action which, pursuant to the terms of the AMA or the or the JV Agreement, requires the prior written consent of URF Member and/or BP Member without obtaining such party's prior written consent. The result of this structure is that Asset Manager will not be able to unilaterally take any action that would constitute a Major Decision (i.e., Asset Manager's authority is no broader than that delegated to BP Member).

With respect to exclusions, please see the list of Major Decisions set forth in the summary of the JV Agreement. All Major Decisions are retained by the JV Company. In addition, Asset Manager will not execute or otherwise bind the JV Company to any contract or agreement without the JV Company's prior written consent.

- 2 PMA – Property Manager is not permitted or required to take any action which, pursuant to the terms of the PMA or the JV Agreement, requires the prior written consent of URF Member and/or BP Member without obtaining such party's prior written consent. The result of this structure is that Property Manager will not be able to unilaterally take any action that would constitute a Major Decision or (i.e., Manager's authority is no broader than that delegated to BP Member).

With respect to exclusions, please see the list of Major Decisions set forth in the summary of the JV Agreement. At minimum, all Major Decisions (without exclusion of other decisions expressly set forth in the PMA) are retained by Owner. Without limiting the foregoing, the PMA contains an express prohibition that Property Manager not: (a) convey, transfer, assign, pledge, hypothecate or encumber or otherwise Lien any property or asset of Owner; (b) except as provided therein, retain attorneys on behalf of Owner; (c) enter into any dealings concerning the Property or with tenants for Property Manager's own account; (d) pledge the credit of Owner, except in conformity with the Approved Annual

Budget or otherwise consistent with the agreement; and (e) borrow money or execute any promissory note or other obligation or mortgage, security agreement or other encumbrance in the name of or on behalf of Owner. In addition, Property Manager is permitted to enter into contracts or purchases on behalf of Owner, but only if such contract or purchase (i) is contained within the Approved Annual Budget (subject to the variance threshold), (ii) in the case of a contract, is terminable without a termination fee, premium or penalty by Owner upon not more than thirty (30) days' notice, (iii) is for a stated term not exceeding one (1) year, (iv) does not provide or allow for aggregate consideration payable in excess of \$25,000, and (v) in the case of any contract, complies with the provisions of Section 3.4(d) of the PMA which, without limitation, requires Property Manager to adhere to a standard form of contract. In the event that any contract in question provides for aggregate consideration payable thereunder in excess of \$25,000, Property Manager shall comply with the competitive bidding procedures set forth in the Agreement. Enforcement of remedies under contracts is subject to Owner approval. Property Manager is also to lease the Properties in accordance with a residential leasing program approved by Owner, though Owner retains the right to approve or reject any lease. All commercial leasing is subject to Owner's approval. Property Manager generally has the right to enforce remedies under residential leases, but enforcement of commercial leases is subject to Owner approval.

- **3 TMA** - Turnover Manager is not permitted or required to take any action which, pursuant to the terms of the TMA or the or the JV Agreement, requires the prior written consent of URF Member and/or BP Member without obtaining such party's prior written consent. The result of this structure is that Turnover Manager will not be able to unilaterally take any action that would constitute a Major Decision (i.e., Turnover Manager's authority is no broader than that delegated to BP Member).

With respect to exclusions, please see the list of Major Decisions set forth in the summary of the JV Agreement. All Major Decisions are retained by the JV Company. Specifically, all budgets and contracts are subject to the JV Company's approval.

- **4 ASA** – Service Manager powers limited to list of functions set forth in the services section above.

Management of potential conflicts:

- **1 AMA** – Asset Manager must keep confidential any materials that relate to the Portfolio to which Asset Manager has access by virtue of Asset Manager's performance of Asset Manager's obligations under the AMA (other than as required by law, to its advisors, etc.). Any performance of the asset management services by an affiliate of Asset Manager is deemed performance by Asset Manager (at no additional cost to the JV Company). With respect to the retention of any third parties, Asset Manager is not permitted to enter into contracts without the JV Company's consent.
- **2 PMA** – Property Manager is not permitted to disclose any information that is acquired by Property Manager in carrying out its duties under the PMA, subject to customary carve outs (in accordance with law, by court order, to Property Manager's advisors). All contracts made with any affiliate of Property Manager must specifically be fully disclosed and approved in advance by Owner in writing, in its sole and absolute discretion, and shall be at competitive market terms and rates and not more than would be charged by an independent third party.
- **3 TMA** – Turnover Manager must keep confidential any materials that relate to the Portfolio to which Turnover Manager has access by virtue of Turnover Manager's performance of Turnover Manager's obligations under the TMA (other than as required by law, to its advisors, etc.). Any performance of the turnover management services by an affiliate of Turnover Manager is deemed performance by

Turnover Manager (at no additional cost to the JV Company). With respect to the retention of any third parties, Turnover Manager is not permitted to enter into contracts without the JV Company's consent.

- 4 ASA – Service Manager must keep confidential any materials that relate to the Portfolio to which Service Manager has access by virtue of Service Manager's performance of Service Manager's obligations under the ASA (other than as required by law, to its advisors, etc.).

Other material terms:

- 1 AMA – Indemnities: The JV Company must indemnify Asset Manager in connection with (i) the Property; (ii) the fraud, gross negligence or wilful misconduct of the JV Company or any of its subsidiaries or their respective agents, contractors or employees, and (iii) except to the extent arising out of the fraud, gross negligence, wilful misconduct of Asset Manager, its agents, contractors or employees, any act performed by Asset Manager with the consent of or at the direction of the JV Company or any fee owner or the good faith performance by Asset Manager of its obligations under the AMA.
- 2 PMA - Indemnities: Owner must indemnify Property Manager (i) in connection with Property Manager's managing, operating and leasing the Portfolio and the performance by Property Manager of services or duties described in the PMA , except that the obligation to indemnify, defend and hold harmless shall not apply in the case of any liability arising out of or resulting from any matter for which Property Manager must indemnify a Landlord Party (i.e., for the Manager Parties' gross negligence, fraud, malfeasance or wilful or criminal misconduct or acts outside the scope of authority under the PMA and not otherwise approved by Owner), and (ii) to the extent arising out of or resulting from the gross negligence, fraud or wilful or criminal misconduct of a Landlord Party.
- 3 TMA – Substantially similar to that set forth in AMA.
- 4 ASA – Substantially similar to that set forth in AMA.