

**BUTTE COUNTY AFFORDABLE HOUSING
DEVELOPMENT CORPORATION**

Board of Directors Meeting

2039 Forest Avenue
Chico, CA 95928

SPECIAL MEETING AGENDA

June 17, 2021
2:00 p.m.

Members of the Board of Directors and HACB staff will be participating either in person or remotely. The Board of Directors welcomes and encourages public participation in the Board meetings either in person or remotely from a safe location.

Members of the public may be heard on any items on the Directors' agenda. A person addressing the Directors will be limited to 5 minutes unless the Chairperson grants a longer period of time. Comments by members of the public on any item on the agenda will only be allowed during consideration of the item by the Directors. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Directors during agenda item 6.

Please join my meeting from your computer, tablet or smartphone.

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If you have any trouble accessing the meeting agenda, or attachments; or if you are disabled and need special assistance to participate in this meeting, please email marysolp@butte-housing.com or call 530-895-4474 x.210.

Notification at least 24 hours prior to the meeting will enable the Housing Authority to make a reasonable attempt to assist you.

NEXT RESOLUTION NO. 21-10C

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS

3. CONSENT CALENDAR
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Riverbend Family Apartments I, Oroville – Amendment to Development MOA
Recommendation: Resolution No. 21-10C
 - 5.2 Ford Oaks Apartments, Gridley – Amendment to Development MOA
Recommendation: Resolution No. 21-11C
 - 5.3 North Creek Crossings at Meriam Park, Chico – Amendment to Development MOU
Recommendation: Resolution No. 21-12C
 - 5.4 Deer Creek Apartments II, Chico – Development MOA with Central Valley Housing Corporation
Recommendation: Resolution No. 21-13C
 - 5.5 Riverbend Family Apartments II, Oroville – Development MOA with Pacific West Communities (PWC)
Recommendation: Resolution No. 21-14C
 - 5.6 Mitchell Avenue Apartment II, Oroville – Development MOA with Pacific West Communities (PWC)
Recommendation: Resolution No. 21-15C
 - 5.7 North Creek Crossings at Meriam Park Family Apartments II, Chico – Development MOU with Central California Housing Corporation (CCHC)
Recommendation: Resolution No. 21-16C
6. MEETING OPEN FOR PUBLIC DISCUSSION
7. MATTERS CONTINUED FOR DISCUSSION
8. SPECIAL REPORTS
9. REPORTS FROM DIRECTORS

10. MATTERS INITIATED BY DIRECTORS

11. EXECUTIVE SESSION

12. DIRECTORS' CALENDAR

Next meeting – August 19, 2021

13. ADJOURNMENT

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-10C

AMENDMENT TO MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES
FOR DEVELOPMENT AND OPERATION OF RIVERBEND FAMILY APARTMENTS,
OROVILLE

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC) and Pacific West Communities, Inc. (PWC) entered into a Memorandum of Agreement (MOA) on June 7, 2021 regarding the development and operation of the seventy-two (72) unit affordable housing development called Riverbend Family Apartments, to be located at 203 Table Mountain Boulevard, Oroville, Butte County, CA (Property); and

WHEREAS, in carrying out the terms of the MOA, BCAHDC has become Managing General Partner of the Property's owner, a limited partnership named Oroville Family Associates LP (Partnership); and

WHEREAS, the limited partnership agreement (Partnership Agreement) negotiated with the Partnership's Limited Partner includes terms not anticipated in the prior negotiation of the MOA, resulting in a need to align and complete the terms of the MOA in consideration of the Partnership Agreement; and

WHEREAS, specifically, the MOA needs amendment to refine the partnership and Property disposition mechanisms to be used after fifteen years of the Property's Placed in Service date, as addressed in Article 10 of the MOA regarding BCAHDC right of first refusal to purchase the Property; and

WHEREAS, an amendment (Amendment) replacing Article 10 of the MOA has been negotiated, drafted, considered, and determined to be in the best interest of BCAHDC, its interest as Managing General Partner of Oroville Family Associates LP, and in the interests of the citizens served;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the First Amendment to the Memorandum of Agreement between BCAHDC and Pacific West Communities, Inc., dated June 7, 2021, regarding the affordable housing development known as Riverbend Family Apartments, to be located at 203 Table Mountain Boulevard, Oroville, CA, such First Amendment attached to and made a part of this Resolution No. 21-10C.

Dated: June 17, 2021.

ATTEST:

Edward S. Mayer President

Marysol Perez, Secretary

FIRST AMENDMENT TO
MEMORANDUM OF AGREEMENT
(Riverbend)

THIS FIRST AMENDMENT TO MEMORANDUM OF AGREEMENT (this “Amendment”) is entered into as of June 7, 2021 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation*** (hereafter “BCAHDC”), and agreed to and consented by ***TPC HOLDINGS IX, LLC, an Idaho limited liability company*** (“AGP”).

RECITALS

WHEREAS, PWC and BCAHDC are parties to that certain Memorandum of Agreement entered in to January 16, 2020 (the “MOA”); and

WHEREAS, PWC and BCAHDC desire to amend the MOU and AGP, as an affiliate PWC, agrees to be bound by the terms of Section 10 of the MOA as amended hereby.

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. Section 10 of the MOA is hereby restated in its entirety to read as follows:

10. The LIHTC Partnership is Oroville Family Associates, A California Limited Partnership. TPC HOLDINGS IX, LLC, an Idaho limited liability company (“AGP”), an affiliate of PWC, is the Administrative General Partner of the LIHTC Partnership. AGP and BCAHDC are entering into an Amended and Restated Agreement of Limited Partnership dated June 7, 2021 (the “LPA”) for the LIHTC Partnership with CREA Riverbend Apartments, LP and CREA SLP, LLC, or affiliates thereof, as limited partners (collectively, the “Limited Partner”).

PWC, BCAHDC and AGP hereby agree that if (I) the Limited Partner exercises the “Put” under the LPA, or (II) AGP or its successor and assigns exercises any of the Partnership Interest Options under the LPA, then immediately following the conveyance of the Limited Partner interests in the Partnership to an affiliate of AGP (but on the same day), the LPA will be amended so that BCAHDC will own a 10% interest in the Partnership (including, without limitation, in Net Cash Flow and proceeds from Capital Transactions).

If the AGP exercises the Project Option, then immediately following the acquisition of the Project by the AGP or its assignee (“New Owner”) (but on the same day), BCAHDC will be admitted to new Owner such that BCAHDC will own a 10% interest in the New Owner (including, without limitation, in Net Cash Flow and proceeds from Capital Transactions).

BCAHDC agrees that it will not exercise its Refusal Right under the Purchase Option Agreement without providing not less than five (5) business days advance written notice thereof to the AGP. In the event that AGP exercises any of its Partnership Interest Options or Project Option following receipt of such notice, then BCAHDC shall not exercise its Refusal Right (or if exercised, then PWC and AGP shall have the remedies herein).

Neither BCAHDC nor AGP shall transfer or assign its rights or options under the LPA except to an affiliate assignee that acknowledges and agrees to the terms of this Section 10 in writing reasonably satisfactory to the non-transferring party. AGP and PWC shall be jointly and severally liable for their obligations under this Section 10. Notices to the AGP hereunder shall be made at the same address as PWC.

BCAHDC shall not be required to contribute capital or otherwise provide funds in connection with the purchase of the limited partnership interest in the LIHTC Partnership with respect to the Partnership Interest Options or the Purchase Option under the LPA.

BCAHDC, PWC and AGP shall each have all remedies available at law and equity, including specific performance, to enforce its rights under this Section 10. In the event of any dispute among any of PWC, AGP and BCAHDC, the prevailing party/ies shall be entitled to reimbursement of reasonable attorney's fees from the non-prevailing party/ies.

2. Except for the foregoing, the parties hereto affirm the MOA.
3. This Amendment may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment.
4. This Amendment may be executed electronically, by facsimile, or by PDF attachment delivered over the Internet. Any such electronic signature shall have the same force and effect as an original.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto executed this Amendment as of the date first written above.

PWC:

Pacific West Communities, Inc.

By: Caleb Roope
Its: President

AGREED TO BY AGP WITH RESPECT TO SECTION 10 OF THE MOA:

TPC HOLDINGS IX, LLC,
an Idaho limited liability company

By: PACIFIC WEST COMMUNITIES, INC.,
an Idaho corporation, its Manager

By: _____
Name: Caleb Roope
Title: President and CEO

BCAHDC:

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-11C

AMENDMENT TO MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES
FOR DEVELOPMENT AND OPERATION OF FORD OAKS APARTMENTS, GRIDLEY

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC) and Pacific West Communities, Inc. (PWC) entered into a Memorandum of Agreement (MOA) on May 21, 2020 regarding the development and operation of the thirty-six (36) unit affordable housing development called Ford Oaks Apartments, to be located on Ford Avenue in Gridley, Butte County, CA (Property); and

WHEREAS, in carrying out the terms of the MOA, BCAHDC has become Managing General Partner of the Property's owner, a limited partnership named Gridley Family Associates LP (Partnership); and

WHEREAS, the limited partnership agreement (Partnership Agreement) negotiated with the Partnership's Limited Partner includes terms not anticipated in the prior negotiation of the MOA, resulting in a need to align and complete the terms of the MOA in consideration of the Partnership Agreement; and

WHEREAS, specifically, the MOA needs amendment to refine the partnership and Property disposition mechanisms to be used after fifteen years of the Property's Placed in Service date, as addressed in Article 10 of the MOA regarding BCAHDC right of first refusal to purchase the Property; and

WHEREAS, an amendment (Amendment) replacing Article 10 of the MOA has been negotiated, drafted, considered, and determined to be in the best interest of BCAHDC, its interest as Managing General Partner of Gridley Family Associates LP, and in the interests of the citizens served;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the First Amendment to the Memorandum of Agreement between BCAHDC and Pacific West Communities, Inc., dated May 21, 2020, regarding the affordable housing development known as Ford Oaks Apartments, to be located on Ford Avenue in Gridley, California, such First Amendment attached to and made a part of this Resolution No. 21-11C.

Dated: June 17, 2021.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

FIRST AMENDMENT TO
MEMORANDUM OF AGREEMENT

THIS FIRST AMENDMENT TO MEMORANDUM OF AGREEMENT (this “Amendment”) is entered into as of May 28, 2021 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation, a California nonprofit public benefit corporation*** (hereafter “BCAHDC”), and agreed to and consented by ***TPC HOLDINGS IX, LLC, an Idaho limited liability company*** (“AGP”).

RECITALS

WHEREAS, PWC and BCAHDC are parties to that certain Memorandum of Agreement entered in to May 21, 2020 (the “MOA”); and

WHEREAS, PWC and BCAHDC desire to amend the MOU and AGP, as an affiliate PWC, agrees to be bound by the terms of Section 10 of the MOA as amended hereby.

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. Section 10 of the MOA is hereby restated in its entirety to read as follows:

10. The LIHTC Partnership is Gridley Family Associates, A California Limited Partnership. TPC HOLDINGS IX, LLC, an Idaho limited liability company (“AGP”), an affiliate of PWC, is the Administrative General Partner of the LIHTC Partnership. AGP and BCAHDC are entering into an Amended and Restated Agreement of Limited Partnership dated May 27, 2021 (the “LPA”) for the LIHTC Partnership with CREA Ford Oaks Apartments, LP and CREA SLP, LLC, or affiliates thereof, as limited partners (collectively, the “Limited Partner”).

PWC, BCAHDC and AGP hereby agree that if (I) the Limited Partner exercises the “Put” under the LPA, or (II) AGP or its successor and assigns exercises any of the Partnership Interest Options under the LPA, then immediately following the conveyance of the Limited Partner interests in the Partnership to an affiliate of AGP (but on the same day), the LPA will be amended so that BCAHDC will own a 10% interest in the Partnership (including, without limitation, in Net Cash Flow and proceeds from Capital Transactions).

If the AGP exercises the Project Option, then immediately following the acquisition of the Project by the AGP or its assignee (“New Owner”) (but on the same day), BCAHDC will be admitted to new Owner such that BCAHDC will own a 10% interest in the New Owner (including, without limitation, in Net Cash Flow and proceeds from Capital Transactions).

BCAHDC agrees that it will not exercise its Refusal Right under the Purchase Option Agreement without providing not less than five (5)

business days advance written notice thereof to the AGP. In the event that AGP exercises any of its Partnership Interest Options or Project Option following receipt of such notice, then BCAHDC shall not exercise its Refusal Right (or if exercised, then PWC and AGP shall have the remedies herein).

Neither BCAHDC nor AGP shall transfer or assign its rights or options under the LPA except to an affiliate assignee that acknowledges and agrees to the terms of this Section 10 in writing reasonably satisfactory to the non-transferring party. AGP and PWC shall be jointly and severally liable for their obligations under this Section 10. Notices to the AGP hereunder shall be made at the same address as PWC.

BCAHDC shall not be required to contribute capital or otherwise provide funds in connection with the purchase of the limited partnership interest in the LIHTC Partnership with respect to the Partnership Interest Options or the Purchase Option under the LPA.

BCAHDC, PWC and AGP shall each have all remedies available at law and equity, including specific performance, to enforce its rights under this Section 10. In the event of any dispute among any of PWC, AGP and BCAHDC, the prevailing party/ies shall be entitled to reimbursement of reasonable attorney's fees from the non-prevailing party/ies.

2. Except for the foregoing, the parties hereto affirm the MOA.
3. This Amendment may be signed by different parties hereto in counterparts with the same effect as if the signatures to each counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment.
4. This Amendment may be executed electronically, by facsimile, or by PDF attachment delivered over the Internet. Any such electronic signature shall have the same force and effect as an original.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto executed this Amendment as of the date first written above.

PWC:

Pacific West Communities, Inc.

By: Caleb Roope
Its: President

AGREED TO BY AGP WITH RESPECT TO SECTION 10 OF THE MOA:

TPC HOLDINGS IX, LLC,
an Idaho limited liability company

By: PACIFIC WEST COMMUNITIES, INC.,
an Idaho corporation, its Manager

By: _____
Name: Caleb Roope
Title: President and CEO

BCAHDC:

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-12C

AMENDMENT TO MEMORANDUM OF UNDERSTANDING WITH CENTRAL CALIFORNIA
HOUSING CORPORATION FOR DEVELOPMENT AND OPERATION OF NORTH CREEK
CROSSINGS AT MERIAM PARK, CHICO

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC) and Central California Housing Corporation (CCHC) entered into a Memorandum of Understanding (MOU) on May 21, 2020 regarding the development and operation of a two phase 160-unit multi-family apartment project serving families, known as North Creek Crossings at Meriam Park (Project); and

WHEREAS, in carrying out the terms of the MOU, BCAHDC has become Managing General Partner of the Property's owner, a limited partnership named Chico North Creek, LP (Partnership); and

WHEREAS, the limited partnership agreement (Partnership Agreement) negotiated with the Partnership's Limited Partner includes terms not anticipated in the prior negotiation of the MOU, resulting in a need to align and complete the terms of the MOU in consideration of the Partnership Agreement; and

WHEREAS, the MOU needs amendment to refine the partnership and Property disposition mechanisms to be used after fifteen years of the Property's Placed in Service date; and

WHEREAS, an amendment (Amendment) has been negotiated, drafted, considered, and determined to be in the best interest of BCAHDC, its interest as Managing General Partner of Chico North Creek LP, and in the interests of the citizens served;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the First Amendment to the Memorandum of Agreement between BCAHDC and Central California Housing Corporation (CCHC), dated May 21, 2020, regarding the affordable housing development known as North Creek Crossings at Meriam Park, Chico, California, such First Amendment attached to and made a part of this Resolution No. 21-12C.

Dated: June 17, 2021.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

**AMENDMENT TO
MEMORANDUM OF UNDERSTANDING**

This **AMENDMENT TO MEMORANDUM OF UNDERSTANDING** (“**Amendment**”) is made and entered into effective as of June ____, 2021, by **Central California Housing Corporation**, a California corporation (“**CCHC**”), and **Butte County Affordable Housing Development Corporation**, a California nonprofit public benefit corporation (the “**BCAHDC**”, collectively with CCHC, the “**Parties**”) and is as follows:

RECITALS:

WHEREAS, the Parties entered into that certain Memorandum of Understanding on May 21, 2020 (the “**MOU**”) for development of a two phase 160-unit multi-family apartment project serving families, known as North Creek Crossings at Meriam Park (the “**Project**”); and

WHEREAS, the Parties now desire to enter into this Amendment for the purpose of amending the MOU.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Amendment, and other good and valuable consideration, the receipt, adequacy and sufficiency which is hereby expressly acknowledged, the Parties hereby agree as follows:

1. The recitals set forth above are each incorporated into the body of this Assignment as if set forth below in full.
2. CCHC, as sole member of Chico North Creek, LLC (“**AGP**”), administrative general partner of Chico North Creek, LP, a California limited partnership (the “**Partnership**”), and BCAHDC, agree that it is their intent to re-syndicate the Project and that upon re-syndication, BCAHDC or its affiliate (so long as BCAHDC is the managing general partner of the Partnership) will have at least the same membership interest, economic interests and approval/review rights in the new owner of the Project that it currently has in the Partnership, as set forth in that certain Amended and Restated Agreement of Limited Partnership Agreement, dated on or about the date hereof (the “**Partnership Agreement**”). As such, BCAHDC and CCHC agree that neither party shall exercise their rights under the Purchase Option and the Right of First Refusal described in the Partnership Agreement until CCHC and BCAHDC, together, have made a written determination not to pursue the re-syndication. For purposes of this section, a “re-syndication” refers to a new allocation of low-income housing tax credits for the Project. In connection with a proposed re-syndication, CCHC and BCAHDC will work cooperatively to determine the terms of the re-syndication and the use of any re-syndication proceeds. By executing this Amendment, AGP agrees and acknowledges that this Section 2 shall be binding on AGP and its successors and assigns.
3. This Amendment shall be binding upon, and shall inure to the benefit of, the parties

hereto and their respective heirs, legal and personal representatives, successors and assigns.

4. All other terms and provisions of the MOU, except as is expressly modified hereby, shall remain in full force and effect and are a part of this Assignment as if fully set forth herein.
5. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
6. This Amendment shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment is executed to be effective as of the date first set forth above.

CCHC:

Central California Housing Corporation,
a California corporation

BCAHDC:

Butte County Affordable Housing
Development Corporation, a California
nonprofit public benefit corporation

By: Austin Herzog
Its: President

By: Edward S. Mayer
Its: President

AGP HEREBY AGREES TO SECTION 2 OF THIS AMENDMENT:

ADMINISTRATIVE GENERAL PARTNER:

CHICO NORTH CREEK, LLC,
a California limited liability company

By: Central California Housing Corporation, a California corporation,
its Member/Manager

By: _____
Name: Austin Herzog
Title: President

June 11, 2021

MEMO

To: Board of Directors, Butte County Affordable Housing Development Corporation

From: Ed Mayer, President

Subject: Board Agenda Items 5.4 – 5.7
Proposed New Development Partnerships - Memorandums of Agreement/Understanding (4)

You will find four (4) proposals from two different affordable housing developers for participation in affordable housing development projects. All four of the requests represent Phase II efforts to Phase I affordable housing developments in which BCAHDC is already participating as non-profit partner.

The four transactions are summarized as follows:

Agenda Item	Resolution Number	Project	Development Partner	Units
5.4	21-13C	Deer Creek Apartments II, Chico	Pacific West Communities	48 family
5.5	21-14C	Riverbend Apartments II, Oroville	Pacific West Communities	48 family
5.6	21-15C	Mitchell Avenue Apartments II, Oroville	Pacific West Communities	35 senior
5.7	21-16C	North Creek Crossings Apartments, Chico	Central California Housing Corp	54 family

The reason for the burst of new activity is because the State tax-credit allocation entity, CTCAC, has an allocation of federal 9% Low Income Housing Tax Credits that are being issued under a special Disaster allocation. Applications for the funding are due July 1st.

The development memorandums outline BCAHDC's role in the development partnerships. It is anticipated that the final memorandums considered by the Board may have some edited language in regards BCAHDC rights to Option and Right of First Refusal mechanisms at year fifteen of the property's service life.

Again, BCAHDC would play the role of the qualified non-profit in the partnership to be formed to develop and operate each project, the memorandum terms in each of the agreements is consistent with previous terms negotiated with these firms in Phase I efforts. BCAHDC is compensated for an ongoing role in property operations and certification of the documentation necessary to achieve property-tax exemption for the partnerships, and has Option and Right of First Refusal Rights to ensure ongoing affordability of the properties to the communities they serve.

It is recommended the Board adopt Resolutions No. 21-13C through 21-16C, authorizing participation in four (4) new affordable housing development projects totaling 185 units, serving families and seniors, to be located in Chico and Oroville.

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-13C

MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES
FOR DEVELOPMENT AND OPERATION OF DEER CREEK FAMILY APARTMENTS, CHICO

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC), in response to need, seeks to increase the availability of affordable housing in the communities and jurisdiction it serves; and

WHEREAS, the Pacific West Communities (PWC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of a forty-eighty (48) unit affordable low-income family housing development in Chico, CA, such development called Deer Creek Apartments II, located on a 3+/- acre parcel at the southeast corner of the intersection of Bruce Road and Highway 32, Chico, Butte County, CA (Project); and

WHEREAS, such development is proposed to be accomplished by means of corporate partnership, such partnership structured and suitable for access to affordable housing subsidy sources, such as, but not limited to, the federal IRS Low Income Housing Tax Credit program as administered by the State of California Tax Credit Allocation Committee; and

WHEREAS, BCAHDC, seeks to act as Managing General Partner in the Limited Partnership (Partnership) that will own and operate the Project, in materially participating in the development and operation of the Property, and ensuring its ongoing affordability to the community; and

WHEREAS, an MOA has been drafted which substantially identifies the roles of the parties to the MOA; and,

WHEREAS, time is of the essence in proceeding with development of the Project; and

WHEREAS, the MOA has been determined sufficient for purposes of identifying roles and advancing project interests until such time as the formal Partnership Agreement is determined, based on the best interests of BCAHDC, and PWC;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the Memorandum of Agreement (MOA) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the 48-unit affordable housing development project known as Deer Creek Apartments II, to be located at the southeast corner of the intersection of Bruce Road and Highway 32, Chico, Butte County, CA, such participation to be in accordance with the MOA, attached to and made a part of this Resolution Number 21-13C.,.

Dated: June 17, 2021.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 17th day of June, 2021 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation***, a California nonprofit public benefit corporation (hereafter “BCAHDC”).

RECITALS

WHEREAS, PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the Project, and syndicate tax credits; and

WHEREAS, PWC, or related party, has secured site control of an approximately 3+/- acre property located on Deer Creek Highway, Chico, CA, and desires to develop 48 units of affordable family housing on the site, such project known as Deer Creek Apartments II (“Project”); and

WHEREAS, BCAHDC provide affordable housing opportunity to households in Butte County, including the City of Chico; and

WHEREAS, PWC has approached BCAHDC to seek BCAHDC’s participation as non-profit Managing General Partner in the LIHTC Partnership that would develop, own and operate such affordable family housing development in Chico; and

WHEREAS, BCAHDC have determined it in the best interest of BCAHDC, their clients, and the community they serve to work with PWC in seeking to create affordable housing opportunity through construction of new residential units meeting the needs of low-income families in Chico;

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to BCAHDC. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing tax credits that PWC deems sufficient for financing of the Project.
2. PWC and BCAHDC shall work jointly to prepare and submit any financing applications required for the development of the Project. BCAHDC shall be given an opportunity to review any tax credit or other financing applications submitted for the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing financing sufficient for development of the Project is awarded, PWC and BCAHDC shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.

4. PWC shall work with DG Group Architecture, LLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and BCAHDC. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.
5. At the initial closing of the construction loan, PWC, and BCAHDC shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. BCAHDC shall also be entitled to a fee of \$10,000 that will represent payment for overhead expenses incurred. PWC shall be paid a fee equal to 90% of the developer fee for the Project, and BCAHDC shall be paid a fee equal to 10% of the developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made. All cost overruns shall be borne by PWC, after full deferral of the developer fee. BCAHDC shall be entitled to reimbursement of up to \$25,000 in legal fees at construction loan closing.
6. BCAHDC shall provide a capital funds loan in the amount of 10% of the developer fee ("NP Loan") to facilitate the development of the Project. NP Loan terms will include a simple interest rate not to exceed 3% with a 55 year term and be secured by a promissory note and deed of trust. Payments on the NP Loan will be a participation in 50% of Residual Receipts, pro rata with all other soft financing of the Project. NP Loan shall be made only after BCAHDC has been paid their portion of the developer fee for the Project.
7. Upon completion of construction and passing of all inspections, the limited partnership established by an affiliate of PWC and BCAHDC during the predevelopment period, along with the investor limited partner under an amended and restated partnership agreement, shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be 100% owned by PWC. The Managing General Partner of the Project shall also receive an annual fee of \$4,800 (\$100 per unit) after stabilization to the extent the Managing General Partner has and continues to take care of the customary Manager General Partner duties.
8. Managing General Partner – BCAHDC will serve as a Managing General Partner to the Limited Partnership, to be formed, that will own and operate the Project. Upon admittance, BCAHDC shall have all rights and obligations of a Managing General Partner under California law. Notwithstanding, the assignment, delegation or reservation of any duty or obligation under the Partnership or the Property Management Agreement, BCAHDC shall at all times be considered to be continuously and substantially involved in the management and operation of the Partnership and the Project. BCAHDC shall:
 - a) Advise the Partnership concerning particular requirements of low income housing rules and regulations and monitor compliance with all government regulations and file or supervise the filing of all required documents with government agencies.
 - b) Facilitate development and operation of the Project by appearance or correspondence with lenders and government bodies.

- c) In conjunction with the Administrative General Partner execute and deliver all partnership documents on behalf of the Partnership.
 - d) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership business.
 - e) Ensure Supportive Services are coordinated and delivered by BCAHDC or others as “delegated” to pursuant to BOE Rule 140.1;
 - f) BCAHDC shall use its best efforts to obtain and maintain the “Welfare Tax Exemption” available to qualified low-income projects through California State Revenue & Taxation Code §§ 214(g), et seq. and related State Board of Equalization (BOE) administrative rules and rules of procedure.
 - g) BCAHDC shall also have any and all necessary authority to ensure compliance with BOE’s rulings and policies, as well as federal and state tax statutes and court rulings relating directly to the above mentioned obligations.
9. PWC shall select a third party management company, with the approval of BCAHDC, to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. BCAHDC or its affiliates may elect to provide certain management operations such as maintenance and landscaping, also on commercially reasonable terms.
 10. In the event that the partnership elects to sell the project, BCAHDC shall have, after 15 years from the project’s placed-in-service date, the right of first refusal to purchase the project at its fair market value. Said right shall not terminate unless BCAHDC elects to do so in writing.
 11. PWC, or BCAHDC may terminate this Agreement without liability upon written notice to the other party if either party determines, in its sole discretion, that (i) the Project or the partnership is infeasible or is not in such party’s best interests or (ii) that sufficient financing to develop the Project will not be awarded by December 31, 2022. In the event the Project becomes infeasible and does not close, all predevelopment costs of the Project incurred by PWC shall be the responsibility of PWC, except those costs described above incurred by BCAHDC prior to admittance of BCAHDC to the Partnership.
 12. BCAHDC shall not be responsible for project “guaranties” or indemnities” to the tax credit investor, lenders and any other financial participant to the Project financing. PWC shall also indemnify BCAHDC for its role and participating in the Partnership. PWC, for itself, its subsidiaries, and affiliates agrees that BCAHDC’s liability for failure to perform any duty or obligation under this MOA, the Partnership or any financing or security agreement entered into by the Partnership shall be limited to BCAHDC’s interest in the Partnership.
 13. The Parties realize that although it is the sincere desire of each of them for the proposed Project to come completely to fruition, that there is always a degree of risk in pre-development activities and that the Parties each acknowledge that there may be certain circumstances, the occurrence of which may result in the decision that the best course of action is to terminate this Memorandum of Agreement. Such circumstances might include the inability of the project to secure sufficient funds, LIHTC’s, or bond cap authority; the inability of the project despite the best efforts of the Parties to obtain other necessary portions of the project’s financing package (such as loans, or other city funding) or other causes which are not within the control of the parties to this agreement.

14. In the event such a termination is necessary for any reason by either Party, PWC and BCAHDC hereto agree that each of them shall indemnify and hold harmless each of the other parties from any and all claims, causes of action or alleged injuries other than those caused by the gross negligence of one of the parties.
15. The Parties agree and understand that in all other respects each of them shall move forward and negotiate in good faith all issues necessary to plan the structure and financing of the above-mentioned affordable housing apartment complex.
16. Formal notices, demands, and communications among the Parties shall not be deemed given unless dispatched by certified mail, return receipt requested, by facsimile delivery with correct answerback received, by electronic mail or by reputable delivery service with a delivery receipt, to the Parties' principal offices as follows:

BCAHDC: Butte County Affordable Housing Development Corporation
2039 Forest Avenue
Chico, CA 95928
Attention: Edward S. Mayer, President
Telephone: 530-895-4474 x 215
Fax: (530) 895-4459
Email: edm@butte-housing.com

PWC: Pacific West Communities, Inc.
430 East State St., Suite 100
Eagle, ID 83616
Attention: Caleb Roope
Telephone: 208-461-0022
Fax: 208-461-3267
Email: calebr@tpchousing.com

IN WITNESS WHEREOF, the parties hereto executed this Agreement as of the date first written above.

Pacific West Communities, Inc.

By: Caleb Roope
Its: President

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-14C

MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND
OPERATION OF RIVERBEND FAMILY APARTMENTS II, OROVILLE

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC), in response to need, seeks to increase the availability of affordable housing in the communities and jurisdiction it serves; and

WHEREAS, Pacific West Communities (PWC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of forty-eight (48) units of affordable low-income family housing in Oroville, CA, such development called Riverbend Family Apartments II, to be located at 223 Table Mountain Boulevard, Oroville, Butte County, CA (Project); and

WHEREAS, such development is proposed to be accomplished by means of corporate partnership, such partnership structured and suitable for access to affordable housing subsidy sources, such as, but not limited to, the federal IRS Low Income Housing Tax Credit program as administered by the State of California Tax Credit Allocation Committee; and

WHEREAS, BCAHDC, seeks to act as Managing General Partner in the Limited Partnership (Partnership) that will own and operate the Project, in materially participating in the development and operation of the Property, and ensuring its ongoing affordability to the community; and

WHEREAS, an MOA has been drafted which substantially identifies the roles of the parties to the MOA; and,

WHEREAS, time is of the essence in proceeding with development of the Project; and

WHEREAS, the MOA as drafted has been determined to be sufficient for purposes of identifying roles and advancing project interests until such time as the formal Partnership Agreement is determined, based on the best interests of BCAHDC, and PWC;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the Memorandum of Agreement (MOA) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the affordable housing development project known as Riverbend Family Apartments II, to be located at 223 Table Mountain Boulevard, Oroville, CA, provided such participation be in accordance with the terms of the MOA, attached to and made a part of this Resolution No. 20-3C.

Dated: June 17, 2021.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 17th day of June, 2021 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation***, a California nonprofit public benefit corporation (hereafter “BCAHDC”).

RECITALS

WHEREAS, PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the Project, and syndicate tax credits; and

WHEREAS, PWC, or related party, has secured site control of an approximately 3+/- acre property located at 223 Table Mountain Blvd, Oroville, CA, and desires to develop 48 units of family affordable housing on the site (“Project”) as described in the attached Exhibit A; and

WHEREAS, BCAHDC provide affordable housing opportunity to households in Butte County, including the City of Oroville; and

WHEREAS, PWC has approached BCAHDC to seek BCAHDC’s participation as non-profit Managing General Partner in the LIHTC Partnership that would develop, own and operate such affordable family housing development in Oroville; and

WHEREAS, BCAHDC have determined it in the best interest of BCAHDC, their clients, and the community they serve to work with PWC in seeking to create affordable housing opportunity through construction of new residential units meeting the needs of low-income families in Oroville;

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to BCAHDC. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing tax credits that PWC deems sufficient for financing of the Project.
2. PWC and BCAHDC shall work jointly to prepare and submit any financing applications required for the development of the Project. BCAHDC shall be given an opportunity to review any tax credit or other financing applications submitted for the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing financing sufficient for development of the Project is awarded, PWC and BCAHDC shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.
4. PWC shall work with DG Group Architecture, LLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and

BCAHDC. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.

5. At the initial closing of the construction loan, PWC, and BCAHDC shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. BCAHDC shall also be entitled to a fee of \$10,000 that will represent payment for overhead expenses incurred. PWC shall be paid a fee equal to 90% of the developer fee for the Project, and BCAHDC shall be paid a fee equal to 10% of the developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made. All cost overruns shall be borne by PWC, after full deferral of the developer fee. BCAHDC shall be entitled to reimbursement of up to \$25,000 in legal fees at construction loan closing.
6. BCAHDC shall provide a capital funds loan in the amount of 10% of the developer fee ("NP Loan") to facilitate the development of the Project. NP Loan terms will include a simple interest rate not to exceed 3% with a 55 year term and be secured by a promissory note and deed of trust. Payments on the NP Loan will be a participation in 50% of Residual Receipts, pro rata with all other soft financing of the Project. NP Loan shall be made only after BCAHDC has been paid their portion of the developer fee for the Project.
7. Upon completion of construction and passing of all inspections, the limited partnership established by an affiliate of PWC and BCAHDC during the predevelopment period, along with the investor limited partner under an amended and restated partnership agreement, shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be 100% owned by PWC. The Managing General Partner of the Project shall also receive an annual fee of \$4,800 (\$100 per unit) after stabilization to the extent the Managing General Partner has and continues to take care of the customary Manager General Partner duties.
8. Managing General Partner – BCAHDC will serve as a Managing General Partner to the Limited Partnership, to be formed, that will own and operate the Project. Upon admittance, BCAHDC shall have all rights and obligations of a Managing General Partner under California law. Notwithstanding, the assignment, delegation or reservation of any duty or obligation under the Partnership or the Property Management Agreement, BCAHDC shall at all times be considered to be continuously and substantially involved in the management and operation of the Partnership and the Project. BCAHDC shall:
 - a) Advise the Partnership concerning particular requirements of low income housing rules and regulations and monitor compliance with all government regulations and file or supervise the filing of all required documents with government agencies.
 - b) Facilitate development and operation of the Project by appearance or correspondence with lenders and government bodies.
 - c) In conjunction with the Administrative General Partner execute and deliver all partnership documents on behalf of the Partnership.

- d) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership business.
 - e) Ensure Supportive Services are coordinated and delivered by BCAHDC or others as “delegated” to pursuant to BOE Rule 140.1;
 - f) BCAHDC shall use its best efforts to obtain and maintain the “Welfare Tax Exemption” available to qualified low-income projects through California State Revenue & Taxation Code §§ 214(g), et seq. and related State Board of Equalization (BOE) administrative rules and rules of procedure.
 - g) BCAHDC shall also have any and all necessary authority to ensure compliance with BOE’s rulings and policies, as well as federal and state tax statutes and court rulings relating directly to the above mentioned obligations.
9. PWC shall select a third party management company, with the approval of BCAHDC, to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. BCAHDC or its affiliates may elect to provide certain management operations such as maintenance and landscaping, also on commercially reasonable terms.
 10. In the event that the partnership elects to sell the project, BCAHDC shall have, after 15 years from the project’s placed-in-service date, the right of first refusal to purchase the project at its fair market value. Said right shall not terminate unless BCAHDC elects to do so in writing.
 11. PWC, or BCAHDC may terminate this Agreement without liability upon written notice to the other party if either party determines, in its sole discretion, that (i) the Project or the partnership is infeasible or is not in such party’s best interests or (ii) that sufficient financing to develop the Project will not be awarded by December 31, 2022. In the event the Project becomes infeasible and does not close, all predevelopment costs of the Project incurred by PWC shall be the responsibility of PWC, except those costs described above incurred by BCAHDC prior to admittance of BCAHDC to the Partnership.
 12. BCAHDC shall not be responsible for project “guaranties” or indemnities” to the tax credit investor, lenders and any other financial participant to the Project financing. PWC shall also indemnify BCAHDC for its role and participating in the Partnership. PWC, for itself, its subsidiaries, and affiliates agrees that BCAHDC’s liability for failure to perform any duty or obligation under this MOA, the Partnership or any financing or security agreement entered into by the Partnership shall be limited to BCAHDC’s interest in the Partnership.
 13. The Parties realize that although it is the sincere desire of each of them for the proposed Project to come completely to fruition, that there is always a degree of risk in pre-development activities and that the Parties each acknowledge that there may be certain circumstances, the occurrence of which may result in the decision that the best course of action is to terminate this Memorandum of Agreement. Such circumstances might include the inability of the project to secure sufficient funds, LIHTC’s, or bond cap authority; the inability of the project despite the best efforts of the Parties to obtain other necessary portions of the project’s financing package (such as loans, or other city funding) or other causes which are not within the control of the parties to this agreement.
 14. In the event such a termination is necessary for any reason by either Party, PWC and BCAHDC hereto agree that each of them shall indemnify and hold harmless each of the other parties from

any and all claims, causes of action or alleged injuries other than those caused by the gross negligence of one of the parties.

15. The Parties agree and understand that in all other respects each of them shall move forward and negotiate in good faith all issues necessary to plan the structure and financing of the above-mentioned affordable housing apartment complex.
16. Formal notices, demands, and communications among the Parties shall not be deemed given unless dispatched by certified mail, return receipt requested, by facsimile delivery with correct answerback received, by electronic mail or by reputable delivery service with a delivery receipt, to the Parties' principal offices as follows:

BCAHDC: Butte County Affordable Housing Development Corporation
2039 Forest Avenue
Chico, CA 95928
Attention: Edward S. Mayer, President
Telephone: 530-895-4474 x 215
Fax: (530) 895-4459
Email: edm@butte-housing.com

PWC: Pacific West Communities, Inc.
430 East State St., Suite 100
Eagle, ID 83616
Attention: Caleb Roope
Telephone: 208-461-0022
Fax: 208-461-3267
Email: calebr@tpchousing.com

IN WITNESS WHEREOF, the parties hereto executed this Agreement as of the date first written above.

Pacific West Communities, Inc.

By: Caleb Roope
Its: President

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

Exhibit A

Riverbend Family Apartments II, Oroville, Butte County, California

Location

The site for the proposed project, Riverbend Family Apartments II, is situated at 223 Table Mountain Boulevard in the City of Oroville, Butte County. The site consists of a 3 +/- acre parcel on which 4 residential buildings will be constructed.

Housing Type

The proposed development will be a 48-unit rental new construction project. With a mix of 36 two-bedroom units (approximately 821 sq. ft.) and 12 three-bedroom units (approximately 1,022 sq. ft.), Riverbend Family Apartments will provide affordable housing for families earning up to 60% of the area median income (AMI) for Butte County.

Construction Design & Project Description

The units will be newly constructed garden style apartments. The type of construction will be wood frame supported by perimeter foundations with concrete slab flooring. This type of construction will allow the building to conform to the natural terrain with only minor amounts of grading. The exterior will be stucco with tile roof shingles. Architectural accents will be incorporated, providing an aesthetically appealing exterior that blends with the character of the surrounding neighborhood and the community of Oroville. Minimum construction standards will be adhered to in order to assure that a quality family housing development is provided.

The buildings will be oriented appropriately throughout the site with the intent to create a community concept. For the benefit and welfare of its residents, the project will have access to a 2,734 square foot community building located in the first phase of the development, consisting of an office, maintenance room, computer learning center, laundry facilities, exercise room and a resident lounge with a kitchen. An on-site resident manager will provide assistance and management while residing in a three-bedroom manager's unit. The development provides a pool, fenced dog park, half basketball court, playground, and a covered picnic area with tables. Covered Parking will also be a convenient amenity the project provides to its residents.

The unit mix will be as follows:

Number of Units	Bedrooms	Unit Size	AMI
36	2	821 sq. ft. (approximate)	30%, 50%, 60%
12	3	1,022 sq. ft. (approximate)	30%, 50%, 60%

Within the units, residents will enjoy standard features such as energy efficient refrigerators, exhaust fans, dishwashers, disposals, and ranges with ovens. All units will include washers and dryers as well as feature a covered patio or balcony. The design of these apartments will adhere to all necessary

requirements to satisfy Section 504 as well as any additional mandates that the local jurisdiction deems appropriate.

Unit Amenities

All units will feature:

- Refrigerators
- Exhaust fans
- Dishwashers
- Garbage disposals
- Ranges with ovens
- Covered patio or balcony
- Washer/Dryer hook-ups

Project Amenities

- Approximately 2,734 sq. ft. community building
- Resident lounge including TV, seating and kitchen
- Computer room
- Exercise room
- Community laundry room
- Fenced Dog Park
- Half basketball court
- Pool
- Playground
- Covered parking
- Covered picnic area with BBQ and tables

Development Schedule

The anticipated construction phase will be approximately twelve (12) months.

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-15C

MEMORANDUM OF AGREEMENT WITH PACIFIC WEST COMMUNITIES FOR DEVELOPMENT AND
OPERATION OF MITCHELL AVENUE SENIOR APARTMENTS II, OROVILLE

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC), in response to need, seeks to increase the availability of affordable housing in the communities and jurisdiction it serves; and

WHEREAS, the Pacific West Communities (PWC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of a 35-unit affordable low-income senior housing development in Oroville, CA, such development known as Mitchell Avenue Senior Apartments II, to be located at 660 Mitchell Avenue, Oroville (Project); and

WHEREAS, such development is proposed to be accomplished by means of corporate partnership, such partnership structured and suitable for access to affordable housing subsidy sources, such as, but not limited to, the federal IRS Low Income Housing Tax Credit program as administered by the State of California Tax Credit Allocation Committee; and

WHEREAS, BCAHDC, seeks to act as Managing General Partner in the Limited Partnership (Partnership) that will own and operate the Project, in materially participating in the development and operation of the Property, and ensuring its ongoing affordability to the community; and

WHEREAS, an MOA has been drafted which substantially identifies the roles of the parties to the MOA; and,

WHEREAS, time is of the essence in proceeding with development of the Project; and

WHEREAS, the MOA has been determined sufficient for purposes of identifying roles and advancing project interests until such time as the formal Partnership Agreement is determined, based on the best interests of BCAHDC, and PWC;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the Memorandum of Agreement (MOA) between BCAHDC and Pacific West Communities (PWC) for purposes of participation in the 35-unit affordable housing development project known as Mitchell Avenue Senior Apartments, II, to be located immediately at 660 Mitchell Avenue, Oroville, such participation to be in accordance with the MOA, attached to and made a part of this Resolution Number 21-15C,

Dated: June 17, 2021.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF AGREEMENT

THIS AGREEMENT is entered into this 10th day of June, 2021 by and between ***Pacific West Communities, Inc.***, an Idaho corporation (hereafter “PWC”), and ***Butte County Affordable Housing Development Corporation***, a California nonprofit public benefit corporation (hereafter “BCAHDC”).

RECITALS

WHEREAS, PWC and its affiliates have the experience and expertise necessary to prepare Tax Credit applications, prepare architectural designs and plans, obtain construction and permanent financing, construct the Project, and syndicate tax credits; and

WHEREAS, PWC, or related party, has secured site control of an approximately 1.57+/- acre property located at 660 Mitchell Avenue, Oroville, CA, and desires to develop 35 units of senior affordable housing on the site (“Project”) as described in the attached Exhibit A; and

WHEREAS, BCAHDC provide affordable housing opportunity to households in Butte County, including the City of Oroville; and

WHEREAS, PWC has approached BCAHDC to seek BCAHDC’s participation as non-profit Managing General Partner in the LIHTC Partnership that would develop, own and operate such affordable senior housing development in Oroville; and

WHEREAS, BCAHDC have determined it in the best interest of BCAHDC, their clients, and the community they serve to work with PWC in seeking to create affordable housing opportunity through construction of new residential units meeting the needs of low-income seniors in Oroville;

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. PWC shall seek financing for the Project suitable to BCAHDC. PWC shall also use its best possible efforts to obtain a commitment to purchase tax credits at the best possible terms. PWC shall also perform any and all procedures and pay all expenses necessary to syndicate said tax credits. This agreement is conditional upon securing an allocation of low-income housing tax credits that PWC deems sufficient for financing of the Project.
2. PWC and BCAHDC shall work jointly to prepare and submit any financing applications required for the development of the Project. BCAHDC shall be given an opportunity to review any tax credit or other financing applications submitted for the Project. PWC shall advance any and all predevelopment funds required for the applications and will also pay any other costs incurred prior to the start of construction.
3. Providing financing sufficient for development of the Project is awarded, PWC and BCAHDC shall work jointly together to obtain all federal, state and local approvals necessary to develop the Project, and shall further execute any and all documents and/or agreements, subject to appropriate review, as may be necessary to move the Project forward.

4. PWC shall work with DG Group Architecture, LLC dba Pacific West Architecture to provide all the necessary design work and building plans subject to mutual approval by PWC and BCAHDC. PWC's affiliate, Pacific West Builders, Inc., being a licensed general contractor in the State of California, shall construct the Project.
5. At the initial closing of the construction loan, PWC, and BCAHDC shall be reimbursed from funding proceeds all project development expenses previously paid relating to the Project. BCAHDC shall also be entitled to a fee of \$10,000 that will represent payment for overhead expenses incurred. PWC shall be paid a fee equal to 90% of the developer fee for the Project, and BCAHDC shall be paid a fee equal to 10% of the developer fee for the Project. If total financing sources are not sufficient to pay all or a portion of the developer fee earned, proceeds from cash flow shall be used until the entire fee is paid in full. Payments of any developer fees shall follow closing of the permanent loan and final tax credit syndication payments from the investor, unless sufficient financing proceeds are available at an earlier date at which time a partial payment may be made. All cost overruns shall be borne by PWC, after full deferral of the developer fee. BCAHDC shall be entitled to reimbursement of up to \$25,000 in legal fees at construction loan closing.
6. BCAHDC shall provide a capital funds loan in the amount of 10% of the developer fee ("NP Loan") to facilitate the development of the Project. NP Loan terms will include a simple interest rate not to exceed 3% with a 55 year term and be secured by a promissory note and deed of trust. Payments on the NP Loan will be a participation in 50% of Residual Receipts, pro rata with all other soft financing of the Project. NP Loan shall be made only after BCAHDC has been paid their portion of the developer fee for the Project.
7. Upon completion of construction and passing of all inspections, the limited partnership established by an affiliate of PWC and BCAHDC during the predevelopment period, along with the investor limited partner under an amended and restated partnership agreement, shall thereafter own and operate the Project as an affordable housing project subject to the requirements set forth by the tax credit program and other financing agreements. All cash flow and ownership benefits, including the sale of the property shall be 100% owned by PWC. The Managing General Partner of the Project shall also receive an annual fee of \$3,500 (\$100 per unit) after stabilization to the extent the Managing General Partner has and continues to take care of the customary Manager General Partner duties.
8. Managing General Partner – BCAHDC will serve as a Managing General Partner to the Limited Partnership, to be formed, that will own and operate the Project. Upon admittance, BCAHDC shall have all rights and obligations of a Managing General Partner under California law. Notwithstanding, the assignment, delegation or reservation of any duty or obligation under the Partnership or the Property Management Agreement, BCAHDC shall at all times be considered to be continuously and substantially involved in the management and operation of the Partnership and the Project. BCAHDC shall:
 - a) Advise the Partnership concerning particular requirements of low income housing rules and regulations and monitor compliance with all government regulations and file or supervise the filing of all required documents with government agencies.
 - b) Facilitate development and operation of the Project by appearance or correspondence with lenders and government bodies.

- c) In conjunction with the Administrative General Partner execute and deliver all partnership documents on behalf of the Partnership.
 - d) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership business.
 - e) Ensure Supportive Services are coordinated and delivered by BCAHDC or others as “delegated” to pursuant to BOE Rule 140.1;
 - f) BCAHDC shall use its best efforts to obtain and maintain the “Welfare Tax Exemption” available to qualified low-income projects through California State Revenue & Taxation Code §§ 214(g), et seq. and related State Board of Equalization (BOE) administrative rules and rules of procedure.
 - g) BCAHDC shall also have any and all necessary authority to ensure compliance with BOE’s rulings and policies, as well as federal and state tax statutes and court rulings relating directly to the above mentioned obligations.
9. PWC shall select a third party management company, with the approval of BCAHDC, to manage the project in accordance with commercially reasonable terms and in compliance with IRC Section 42 guidelines. BCAHDC or its affiliates may elect to provide certain management operations such as maintenance and landscaping, also on commercially reasonable terms.
 10. In the event that the partnership elects to sell the project, BCAHDC shall have, after 15 years from the project’s placed-in-service date, the right of first refusal to purchase the project at its fair market value. Said right shall not terminate unless BCAHDC elects to do so in writing.
 11. PWC, or BCAHDC may terminate this Agreement without liability upon written notice to the other party if either party determines, in its sole discretion, that (i) the Project or the partnership is infeasible or is not in such party’s best interests or (ii) that sufficient financing to develop the Project will not be awarded by December 31, 2022. In the event the Project becomes infeasible and does not close, all predevelopment costs of the Project incurred by PWC shall be the responsibility of PWC, except those costs described above incurred by BCAHDC prior to admittance of BCAHDC to the Partnership.
 12. BCAHDC shall not be responsible for project “guaranties” or indemnities” to the tax credit investor, lenders and any other financial participant to the Project financing. PWC shall also indemnify BCAHDC for its role and participating in the Partnership. PWC, for itself, its subsidiaries, and affiliates agrees that BCAHDC’s liability for failure to perform any duty or obligation under this MOA, the Partnership or any financing or security agreement entered into by the Partnership shall be limited to BCAHDC’s interest in the Partnership.
 13. The Parties realize that although it is the sincere desire of each of them for the proposed Project to come completely to fruition, that there is always a degree of risk in pre-development activities and that the Parties each acknowledge that there may be certain circumstances, the occurrence of which may result in the decision that the best course of action is to terminate this Memorandum of Agreement. Such circumstances might include the inability of the project to secure sufficient funds, LIHTC’s, or bond cap authority; the inability of the project despite the best efforts of the Parties to obtain other necessary portions of the project’s financing package (such as loans, or other city funding) or other causes which are not within the control of the parties to this agreement.

14. In the event such a termination is necessary for any reason by either Party, PWC and BCAHDC hereto agree that each of them shall indemnify and hold harmless each of the other parties from any and all claims, causes of action or alleged injuries other than those caused by the gross negligence of one of the parties.
15. The Parties agree and understand that in all other respects each of them shall move forward and negotiate in good faith all issues necessary to plan the structure and financing of the above-mentioned affordable housing apartment complex.
16. Formal notices, demands, and communications among the Parties shall not be deemed given unless dispatched by certified mail, return receipt requested, by facsimile delivery with correct answerback received, by electronic mail or by reputable delivery service with a delivery receipt, to the Parties' principal offices as follows:

BCAHDC: Butte County Affordable Housing Development Corporation
2039 Forest Avenue
Chico, CA 95928
Attention: Edward S. Mayer, President
Telephone: 530-895-4474 x 215
Fax: (530) 895-4459
Email: edm@butte-housing.com

PWC: Pacific West Communities, Inc.
430 East State St., Suite 100
Eagle, ID 83616
Attention: Caleb Roope
Telephone: 208-461-0022
Fax: 208-461-3267
Email: calebr@tpchousing.com

IN WITNESS WHEREOF, the parties hereto executed this Agreement as of the date first written above.

Pacific West Communities, Inc.

By: Caleb Roope
Its: President

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

Exhibit A

Mitchell Avenue Senior Apartments - Phase II

The proposed project, Phase 2 of the Mitchell Avenue Senior Apartments, is a 35-unit senior housing new construction project located on 1.57 +/- acres of land identified as APN 035-240-043. With a mix of 29 one-bedroom units (613 gross sq. ft.) and 6 two-bedroom units (805 gross sq. ft), the proposed project will target seniors earning up to 30-60% of the area median income for Butte County. The development will come with 36 parking spaces, of which 28 will be covered. There will also be 2 long term bicycle storage stalls and 6 short term stalls. This development will have elevators.

The units will be newly constructed apartments in 1 three-story residential building. The type of construction will be wood frame supported by perimeter foundations with concrete slab flooring. This type of construction will allow the building to conform to the natural terrain with only minor amounts of grading. The exterior will be a combination of vinyl lap and shake siding with Class A composite roof shingles and stone veneer accents. Architectural accents will be incorporated, providing an aesthetically appealing exterior that blends with the character of the surrounding neighborhood and the community of Oroville. The development will meet Title 24 energy efficiency standards. Minimum construction standards will be adhered to in order to assure that a quality family housing development is provided.

The buildings will be oriented appropriately throughout the site with the intent to create a community concept for families to enjoy while remaining social and active. The development will include a 1,262 sq. ft. community area with a common kitchen, exercise room, laundry facility, and business center. Additionally, the development will include covered picnic tables with BBQs and pergolas made from non-combustible material, bocce ball court, community garden with raised planter beds, and a fenced dog park. An on-site resident manager will provide assistance and management while residing in a two bedroom manager's unit.

Within the units, tenants will enjoy standard features such as refrigerators, exhaust fans, dishwashers, disposals and ranges with ovens. All units feature an outdoor patio or balcony and storage space. The design of these apartments will adhere to all necessary requirements to satisfy Section 504 as well as any additional mandates that the local jurisdiction deems appropriate.

The anticipated development schedule for the project is 12 months.

BUTTE COUNTY AFFORDABLE HOUSING DEVELOPMENT CORPORATION

RESOLUTION NO. 21-16C

MEMORANDUM OF UNDERSTANDING WITH CENTRAL CALIFORNIA HOUSING CORPORATION
FOR DEVELOPMENT AND OPERATION OF NORTH CREEK CROSSINGS AT MERIAM PARK FAMILY
APARTMENTS II, CHICO

WHEREAS, the Butte County Affordable Housing Development Corporation (BCAHDC), in response to need, seeks to increase the availability of affordable housing in the communities and jurisdiction it serves; and

WHEREAS, the Central California Housing Corporation (CCHC) has approached the Butte County Affordable Housing Development Corporation (BCAHDC) to participate in development of the fifty-four (54) unit Phase II component of the affordable low-income family housing development called North Creek Crossings at Meriam Park, such project known as North Creek Crossings at Meriam Park Family Apartments II, to be located on Notre Dame Boulevard, Meriam Park, Chico, Butte County, CA (Project); and

WHEREAS, such development is proposed to be accomplished by means of corporate partnership, such partnership structured and suitable for access to affordable housing subsidy sources, such as, but not limited to, the federal IRS Low Income Housing Tax Credit program as administered by the State of California Tax Credit Allocation Committee; and

WHEREAS, BCAHDC, seeks to act as Managing General Partner in the Limited Partnership (Partnership) that will own and operate the Project, in materially participating in the development and operation of the Property, and ensuring its ongoing affordability to the community; and

WHEREAS, an MOU has been drafted which substantially identifies the roles of the parties to the MOU; and,

WHEREAS, time is of the essence in proceeding with development of the Project; and

WHEREAS, the MOU has been determined sufficient for purposes of identifying roles and advancing project interests until such time as the formal Partnership Agreement is determined, based on the best interests of BCAHDC, and CCHC;

THEREFORE BE IT RESOLVED by the Board of Directors of the Butte County Affordable Housing Development Corporation (BCAHDC) to authorize its President to execute the Memorandum of Understanding (MOU) between BCAHDC and Central California Housing Corporation (CCHC) for purposes of participation in the fifty-four (54) unit affordable housing development project known as North Creek Crossings at Meriam Park Family Project II, to be located on Notre Dame Boulevard, Meriam Park, Chico, Butte County, CA, such participation to be in accordance with the MOU, attached to and made a part of this Resolution No 21-16C.

Dated: June 17, 2021.

Edward S. Mayer President

ATTEST:

Marysol Perez, Secretary

MEMORANDUM OF UNDERSTANDING

By and Between

Butte County Affordable Housing Development Corporation (BCAHDC)
and
Central California Housing Corporation (CCHC)

RE: Proposed Apartment Complex to be known as
North Creek Crossings at Meriam Park II (Project)

LOCATION: Norte Dame Avenue, Chico, California
Portion of APNs: 002-180-198 and 002-180-090– 2.07 acres

History & Recitals

Central California Housing Corporation (CCHC) dba Affordable Housing Development Corporation (AHDC) and Butte County Affordable Housing Development Corporation (BCAHDC) have successfully partnered in the past in the City of Chico to plan, finance, construct and operate affordable apartment housing for very-low to low-income households in Chico.

Ownership Structure & Affordability Goals

CCHC has approached BCAHDC with an opportunity to partner on the development of a 54-unit multi-family apartment project serving families, known as North Creek Crossings at Meriam Park II (Project). The proposed affordable housing project is to be located on approximately 2.07 acres found on the east side of Norte Dame Avenue, north of Little Chico Creek, in Chico. The project will offer a mix of 1-, 2-, and 3-bedroom units at various affordable rent levels, all at or below 60% AMI. This Memorandum of Understanding hereby describes terms between CCHC and BCAHDC for Phase II - a 54-unit proposed development.

Activities and Discussions to Date; Basic Financing Outline

To date, CCHC has undertaken the following pre-development activities:

- secured the proposed apartment project site;
- has received approval for a Tentative Subdivision Map (TSM) and Architectural Review Board (ARB) submittal through the City of Chico;
- has applied for City of Chico funding support;
- has initiated 3rd party reports including a Phase 1 environmental study, geotechnical study, and market study; and,
- is seeking BCAHDC as its local non-profit development partner prior to offering this project to low-income housing tax credit investors.

Project Participants, Roles and Structure

- Developer – CCHC (Austin Herzog, Laurie Doyle, Erik Holland) as lead developer
- Contractor – Sunseri Construction, Inc.
- Architect – Mogavero Architects
- Civil Engineer- NorthStar Engineering

- Property Manager – WinnResidential
- Managing General Partners – BCAHDC will serve as a Managing General Partner to a to be formed limited partnership that will own and operate the Project (the Partnership). Upon admittance, BCAHDC shall have all rights and obligations of a Managing General Partner under California law. Notwithstanding, the assignment, delegation or reservation of any duty or obligation under the Partnership or the Property Management Agreement, BCAHDC shall at all times be considered to be continuously and substantially involved in the management and operation of the Partnership and the Project. BCAHDC shall:
 - a. Advise the Partnership concerning particular requirements of low income housing rules and regulations and monitor compliance with all government regulations and file or supervise the filing of all required documents with government agencies.
 - b. Facilitate development and operation of the Project by appearance or correspondence with lenders and government bodies.
 - c. In conjunction with the Administrative General Partner execute and deliver all partnership documents on behalf of the Partnership.
 - d. Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership business.
 - e. Ensure Supportive Services are coordinated and delivered by BCAHDC or others as “delegated” to pursuant to BOE Rule 140.1;
 - f. BCAHDC shall obtain and maintain the “Welfare Tax Exemption” available to qualified low-income projects through California State Revenue & Taxation Code §§ 214(g), et seq. and related State Board of Equalization (BOE) administrative rules and rules of procedure.
 - g. BCAHDC seeks to conduct an in-house constructability review of project plans and specifications, in support of plan development, considering short-and long-term operational and longevity concerns.
 - h. BCAHDC shall also have any and all necessary authority to ensure compliance with BOE’s rulings and policies, as well as federal and state tax statutes and court rulings relating directly to the above mentioned obligations.
 - i. BCAHDC can monitor labor wage rates, if applicable to the project.
- Administrative General Partner – a Limited Liability Corporation, to be formed, with member CCHC.

Proposed BCAHDC Compensation and Expenses

- Total BCAHDC compensation shall be \$30,000, and shall compensate the BCAHDC for its own and consultant expenses, including retention of BCAHDC to provide administrative services to represent BCAHDC, including filing of the Welfare Tax Exemption application, and including retention of legal and financial consultants working on behalf of BCAHDC’s interests. This fee shall be paid upon close of the Construction Loan. BCAHDC shall not be required to expend predevelopment costs on behalf of the Limited Partnership or the Project.
- In the event the Project becomes infeasible prior to Construction Loan close and/or Partnership formation as contemplated above, all third party predevelopment costs incurred by BCAHDC, up and to the date of such determination of infeasibility, shall be the responsibility of BCAHDC. The total sum of such costs shall be limited to the BCAHDC compensation identified above.

- Developer Fee equal to ten percent (10%) shall be paid to BCAHDC.
- Annual service fee (MGP Fee) payable by the Partnership equal to \$100 per unit per year, paid in advance, the first year at Permanent Loan Close, and ensuing years after completion of audited financials. The MGP Fee shall be paid out of the Partnership Cash Flow waterfall immediately after the tax credit investor limited partner's asset management fee and after the deferred developer fee note (if applicable).

BCAHDC Contribution

BCAHDC is willing to contribute their ten percent (10%) portion of the Developer Fee, structured as a Residual Receipts Loan ("Loan") positioned behind the first mortgage against the property. The Loan shall accrue interest and be payable from a percentage of project cash flow and become due upon any sale, refinance or transfer of the Project interests. The final amount of the contribution shall be determined when final numbers are available, feasibility need can be finalized, and resulting savings and/or increases are negotiated. The contribution shall be provided at or before construction loan close. Payment of principal and interest shall be made after satisfaction of Investor Limited Partner Fee, annual Managing General Partner Fee, Deferred Developer Fee, and Administrative General Partner Fee.

Other Deal Points

- In the event the Project becomes infeasible and does not close, all predevelopment costs of the Project incurred by CCHC shall be the responsibility of CCHC, except those costs described above incurred by BCAHDC prior to admittance of BCAHDC to the Partnership.
- BCAHDC or its affiliates shall not be responsible for project "guaranties" or "indemnities" to the tax credit investor, lenders and any other financial participant to the Project financing. CCHC shall also indemnify BCAHDC for its role and participation in the Partnership. CCHC, for itself, its subsidiaries and affiliates agrees that BCAHDC's liability for failure to perform any duty or obligation under this MOU, the Partnership or any financing or security agreement entered into by the Partnership shall be limited to BCAHDC's interest in the Partnership.
- Property Management Company and Contractor shall be selected exclusively by CCHC. CCHC shall solicit BCAHDC input in considering the Property Management Company and Contractor retention and changes.
- BCAHDC shall hold a first priority Purchase Option and Right of First Refusal to acquire the property or all other partnership interests (collectively, the "Options") at year 15 (or earlier if approved by the investor), the end of the LIHTC compliance period and this Option, subject to IRS Section 42. BCAHDC shall have the right to review and comment on the letters of intent for equity (particularly with respect to the Options) and first mortgage lender, and shall have the right to approve any terms and provisions that related specifically to BCAHDC or the Options. CCHC agrees that its interest in the Limited Partnership shall subject to the same terms and conditions approved by the tax credit investor relating to the Options.
- CCHC, as the sole member of the Administrative General Partner, and BCAHDC, agree that it is their intent to re-syndicate the Project and that upon re-syndication, BCAHDC or its affiliate (so long as BCAHDC is the managing general partner of the Partnership) will have at least the same membership interest, economic interests and approval/review rights in the Partnership as set forth in this MOU. As such, BCAHDC and CCHC agree that neither party will exercise their rights under the Options until CCHC and BCAHDC, together, have made

a written determination not to pursue the re-syndication. For purposes of this section, a “re-syndication” refers to a new allocation of low-income housing tax credits for the Project. In connection with a proposed re-syndication, CCHC and BCAHDC will work cooperatively to determine the terms of the re-syndication and the use of any re-syndication proceeds.

Anticipated Timeline By CCHC For The Formation Of The Partnership

CCHC’s timeline (attached) identifies project development milestones, including but not limited to securing City of Chico financing support, completion of the Market Study, 9% LIHTC application, Partnership formation, and Construction Loan Close. Such timeline is attached for illustrative purposes regarding development intent, and is subject to constraints and opportunities encountered in the course of project development.

Out of expediency and due to the short lead time available at this juncture, CCHC wants to remain flexible as to whether to proceed immediately by forming an initial partnership with BCAHDC or applying for the tax credit allocation in its own or an affiliate’s name, with the intent to be clearly expressed in the application to transfer the allocation to a to-be-formed limited partnership which includes BCAHDC as the Managing General Partner.

The Parties agree that this limited partnership will be a necessary vehicle for the inclusion of investors in the to-be-formed partnership for purposes of syndication of the low-income housing tax credits associated with the bond allocation and for additional reasons.

Agreement To Negotiate Additional Terms And Conditions In Good Faith/ Termination

The Parties realize that although it is the sincere desire of each of them for the proposed Project to come completely to fruition, that there is always a degree of risk in pre-development activities, and particularly in light of the economic uncertainty, the Parties each acknowledge that there may be certain circumstances, the occurrence of which may result in the decision that the best course of action is to terminate this Memorandum of Understanding. Such circumstances might include the inability of the project to secure an allocation of low income housing tax credits, the inability of the project despite the best efforts of the Parties to obtain other necessary portions of the project’s financing package (such as city funding) or other causes which are not within the control of the parties to this agreement.

In the event such a termination is necessary for any reason by either Party, CCHC and BCAHDC hereto agree that each of them shall indemnify and hold harmless each of the other parties from any and all claims, causes of action or alleged injuries other than those caused by the gross negligence of one of the parties.

The Parties agree and understand that in all other respects each of them shall move forward and negotiate in good faith all issues necessary to plan the structure and financing of the above-mentioned affordable housing apartment complex.

SIGNATURE PAGE FOLLOWS

DATED: June 17, 2021

Butte County Affordable Housing Development Corporation

By: Edward S. Mayer
Its: President

Central California Housing Corporation, a California corporation

By: Austin Herzog
Its: President