

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA AUTHORIZING THE CITY TO BECOME AN ADDITIONAL MEMBER OF THE CALIFORNIA COMMUNITY HOUSING AGENCY ("CALCHA"); DIRECTING THE EXECUTION OF ONE OR MORE PUBLIC BENEFIT AGREEMENTS WITH CALCHA; AND SUPPORTING CALCHA'S ISSUANCE OF BONDS FOR THE PRODUCTION, PRESERVATION AND PROTECTION OF ESSENTIAL MIDDLE-INCOME RENTAL HOUSING WITHIN CITY LIMITS

WHEREAS, CalCHA is a Joint Powers Authority created pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and a Joint Exercise of Powers Agreement Relating to CalCHA among certain public agencies (the "Agreement"), in order to produce, preserve and protect quality affordable rental housing made available to California's essential middle-income workforce; and

WHEREAS, one of the primary goals of the City of Pasadena, a California municipal corporation and charter city (the "City") is to meet the growing housing needs of its residents by actively supporting the production, preservation and protection of market-rate and affordable rental housing for all; and

WHEREAS, the City, has determined that it is in the public interest and for the public benefit that the City become an Additional Member of CalCHA pursuant to Section 12 of the Agreement in order to facilitate the production, preservation and protection of quality affordable rental housing for the City's essential middle-income workforce, including the financing of projects therefor by CalCHA; and

WHEREAS, the Agreement has been filed with the City, and the members of the City Council of the City (the "City Council"), with the assistance of its staff, have reviewed said document, and the City proposes to become an Additional Member of CalCHA; and

WHEREAS, CalCHA proposes to issue from time to time its governmental purpose revenue bonds (the "Bonds") and use the proceeds thereof to finance the acquisition, construction, development and certain related costs of multifamily housing developments within the City (each, a "Project"); and

WHEREAS, CalCHA intends to implement regulatory agreements at each Project to avoid the displacement of existing residents, restrict future occupancy to middle-income households earning no more than 120% of area median income, and impose limitations on the annual rent increases of such qualified middle-income households; and

WHEREAS, CalCHA proposes, pursuant to one or more Public Benefit Agreements (the "Public Benefit Agreements"), between CalCHA and the City, the form of which has been filed with the City Council, to grant the City the option, but never the obligation, to purchase each Project or to cause CalCHA to sell such Project, commencing on the date fifteen (15) years after CalCHA's acquisition of such Project; and

WHEREAS, it is in the public interest and for the public benefit that the City Council approve the issuance of the Bonds by CalCHA for the aforesaid purposes;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL, AS FOLLOWS:

Section 1. The foregoing recitals are true and correct.

Section 2. The City Council hereby authorizes the City to become an Additional Member of CalCHA. The Agreement is hereby approved and the City Manager or the designee thereof is hereby authorized and directed to execute the Agreement and the City Clerk or such Clerk's designee is hereby authorized and directed to attest thereto.

Section 3. The proposed form of Public Benefit Agreement on file with the City Council is hereby approved. In connection with any Project, the City Manager or the designee thereof is hereby authorized and directed to execute an agreement in substantially said form, with such changes therein as such officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The City Council hereby supports and approves CalCHA's issuance of Bonds from time to time as a means towards the production, preservation and protection of essential middle-income rental housing within City limits.

Section 5. The issuance of Bonds shall be subject to the approval of CalCHA of all financing documents relating thereto to which CalCHA is a party. The City shall have no responsibility or liability whatsoever with respect to the Bonds.

Section 6. The adoption of this Resolution shall not obligate the City or any department thereof to (i) provide any financing to acquire or construct any Project or any refinancing of any Project; (ii) approve any application or request for or take any other action in connection with any planning approval, permit or other action necessary for the acquisition, construction, rehabilitation or operation of any Project; (iii) make any contribution or advance any funds whatsoever to CalCHA; or (iv) except as provided in this Resolution, take any further action with respect to CalCHA or its membership therein.

Section 7. The executing officers(s), the City Clerk and all other proper officers and officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates, and to perform such other acts and deeds, as may be necessary or convenient to effect the purposes of this Resolution and the transactions herein authorized.

Section 8. The City Clerk shall forward a certified copy of this Resolution and an originally executed Agreement to CalCHA:

California Community Housing Agency
1400 W. Lacey Boulevard
Hanford, California 93230
Attention: Michael LaPierre

Section 9. This resolution shall take effect immediately upon its passage.

IN CITY COUNCIL DULY PASSED this [DAY] day of [MONTH] 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____ APPROVED: _____
City Clerk Mayor

APPROVED AS TO FORM:

City Attorney

Exhibit A – Joint Exercise of Powers Agreement Relating to the California Community
Housing Agency

Exhibit B – Form of Public Benefit Agreement

**JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA COMMUNITY HOUSING AGENCY**

THIS AGREEMENT, dated as of January 29, 2019, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Charter Members");

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means; and

WHEREAS, each Member is also empowered by law to acquire, construct, improve, operate and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, including but not limited to acquiring, constructing, improving, operating and disposing of real property for a public purpose, all as specified in this Agreement, and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute non-recourse debt, which may include bonds, notes, commercial paper or any other evidences of indebtedness, leases, installment sale or other financing agreements or certificates of participation therein (herein "Obligations"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue non-recourse Obligations pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects that provide, preserve and support affordable local housing for low-income, moderate-income and middle-income families and individuals within the jurisdictions of the Members, including, but not limited to, capital or working capital projects, purchase or acquisition of property, receivables, commodities, bonds, other revenue streams or assets of any kind, liability or other insurance, or retirement programs, or facilitating Members use of existing or new financial instruments and mechanisms in the furtherance of this purpose; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Community Housing Agency" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of non-recourse Obligations for any purpose or activity permitted under the Joint Exercise of Powers Act or any other law; provided, however that such purpose shall be solely for the acquisition, construction, rehabilitation, ownership, operation, maintenance, administration and/or financing of multifamily housing for low-income, moderate-income and middle-income families and individuals (the "Purpose"). Such Purpose will be accomplished and said power exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Obligations issued or caused to be issued by the Agency (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement, resolution or other instrument pursuant to which such Obligations are issued.

Section 3. Agency.

A. CREATION AND POWERS OF AGENCY.

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Community Housing Agency" (the "Agency"), and said Agency shall be a public entity separate and apart from the Members. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members, and the Obligations of the Agency shall only be non-recourse obligations.

B. BOARD.

The Agency shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") whose members shall be, at all times, members of the Board of Supervisors (the "Board of Supervisors") of Kings County, California, with each such Director serving in his or her individual capacity as Director of the Board. The term of office as a member of the Board shall terminate when such member shall cease to be a member of the Board of Supervisors and the successor to such member of the Board of Supervisors shall become a member of the Board.

Notwithstanding the preceding paragraph, the Board may by resolution or bylaws provide for changes in the qualifications, composition and number of Directors, the appointment of Directors, successors, their respective terms of office and any other provisions relating to the qualification and office of the Directors, including provision for alternative Directors (in which case all references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director).

The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein.

Directors shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Agency shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Agency from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Agency (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Obligations (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Board, the Treasurer is designated as the depository of the Agency to have custody of all money of the Agency, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Agency is designated as the public officer or person who has charge of, handles, or has access to any property of the Agency, and such officer shall file an official bond with the Secretary of the Agency in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Agency and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Agency.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of

California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Agency shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors present at the meeting, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Agency may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Agency shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for the Purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Agency is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property, improvements, commodities, leases, contracts, receivables, bonds or other revenue streams or assets of any kind relating to the Purpose; to exercise the power of condemnation; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to establish and collect fees; to form public benefit nonprofit corporations or other affiliate entities to accomplish any of its Purposes; to make grants, loans or provide other financial assistance to governmental, nonprofit and for profit organizations to accomplish any of its Purposes; and generally to do any and all things necessary or convenient to accomplish its Purposes. The boundaries of the Agency shall encompass the boundaries of all the Members and the powers of the Agency may be exercised anywhere within those boundaries or to the extent permitted by the laws of the State of California, including, but not limited to the Joint Exercise of Powers Act,

outside of those boundaries, which may be outside of the State of California, provided that the power of condemnation may only be exercised within the jurisdictional boundaries of the Charter Members.

Without limiting the generality of the foregoing, the Agency may issue or cause to be issued Obligations, and pledge any property, contracts or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law.

The manner in which the Agency shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California county could exercise such powers and perform such duties. The manner in which the Agency shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2019.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Agency, all property of the Agency both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 7. Obligations.

From time to time the Agency shall issue Obligations, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its Purposes under this Agreement, including but not limited to acquiring, constructing, improving, operating and disposing of real property for a public purposes.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing or refinancing or on post-issuance compliance or administration may be used by the Agency. The expenses of the Board shall be paid from the proceeds of the Obligations, payments made by Obligation obligors or other third parties, or any other unencumbered funds of the Agency available for such purpose.

Section 8. Obligations Only Limited and Special Obligations of Agency.

The Obligations, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Agency. The Obligations shall be only special non-recourse obligations of the Agency, and the Agency shall under no circumstances be obligated to pay the Obligations except from revenues and other funds pledged therefor. Neither the Members nor the Agency shall be obligated to pay the principal of, premium, if any, or interest on the Obligations, or other costs incidental thereto, except the Agency from the revenues and funds pledged and available therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Agency shall be pledged to the payment of the principal of, premium, if any, or interest on the Obligations nor shall the Members or the Agency in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Obligation or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Agency in his or her individual capacity, and neither the Board of the Agency nor any Director or officer thereof executing the Obligations shall be liable personally on any Obligation or be subject to any personal liability or accountability by reason of the issuance of any Obligations.

Section 9. Accounts and Reports.

All funds of the Agency shall be strictly accounted for. The Agency shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Obligations). The books and records of the Agency shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Agency shall cause an independent audit to be made of the books of accounts and financial records of the Agency by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Agency may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Agency. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Charter Members which report shall describe the amount of money held by the Treasurer for the Agency, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude

amounts held by a trustee or other fiduciary in connection with any Obligations to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Agency and shall be a charge against any unencumbered funds of the Agency available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

Section 10. Funds.

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Agency funds, the Treasurer of the Agency shall receive, have the custody of and disburse Agency funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

Section 11. Notices.

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided that, to the extent permitted by law, the Agency may provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 12. Additional Members/Withdrawal of Members.

Qualifying public agencies may be added as parties to this Agreement and become Charter Members upon: (1) the filing by such public agency with the Agency of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Charter Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

Qualifying public agencies may also be added as Non-Charter Members ("Additional Members") of the Agency upon: (1) the filing by such public agency with the Agency of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Agency, and (2) adoption of a resolution of the Board approving the addition of such public agency as an Additional Member. An Additional Member may limit in the aforementioned resolution the scope of its Additional Membership to what is necessary or appropriate to facilitate the financing or refinancing of one or more specified projects or programs.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that at least one Member shall be a Charter Member and no such withdrawal shall result in the dissolution of the Agency so long as any Obligations remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board, which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. Indemnification.

To the full extent permitted by law, the Board may authorize indemnification by the Agency of any person who is or was a Director or an officer, employee or other agent of the Agency, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Agency, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Agency and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Agency, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. The Board may purchase a policy or policies of insurance in furtherance of any indemnification obligation created or otherwise in protection of Directors, officers, employees or other agents.

Section 14. Contributions and Advances.

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Agency by the Members for any of the Purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Agency and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Agency to provide for the costs and expenses of administration of the Agency, even though any Member may do so. The Members understand and agree that a portion of the funds of the Agency that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and to nonprofit organizations to accomplish any of the governmental unit's or nonprofit organization's purposes.

Section 15. Immunities.

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Agency while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

Section 16. Amendments.

Except as provided in Sections 3B and 12 above, or to cure any error, omission or ambiguity in this Agreement, this Agreement shall not be amended, modified, or altered except with (i) written consent of all holders of any outstanding bonds of the Agency, (ii) written consent of each of Charter Member, and (iii) negative consent of each Additional Member. To obtain the negative consent of each such Additional Member, the following negative consent procedure shall be followed: (a) the Agency shall provide each such Additional Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Agency shall provide each such Additional Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no such Additional Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 17. Effectiveness.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Charter Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Charter Member approving this Agreement and the execution and delivery hereof.

Section 18. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 20. Miscellaneous.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

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

Charter Member:

KINGS COUNTY

By Joe Neves
Name: Joe Neves
Title: Chairman JAN 29 2019

ATTEST:

By Melanie Curtis
Name: Melanie Curtis
Title: Deputy Clerk to the Board of Supervisors

Charter Member:

HOUSING AUTHORITY OF THE
COUNTY OF KINGS

By Joe Neves
Name: Joe Neves
Title: Chairman

ATTEST:

By Jennifer Melum
Name: Jennifer Melum
Title: Deputy Clerk to the Board of Supervisors

**FIRST AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA COMMUNITY HOUSING AGENCY**

THIS FIRST AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT, dated July 30, 2019 (this "First Amendment"), is executed and delivered to amend the provisions of that certain Joint Exercise of Powers Agreement, dated as of January 1, 2019, (the "Agreement"), among the County of Kings and the Housing Authority of the County of Kings (the "Charter Members") and the other members (the "Additional Members" and, together with the Charter Members, the "Members") thereto.

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), the Charter Members and the Additional Members entered into the Agreement; and

WHEREAS, pursuant to Assembly Bill No. 1912, enacted on September 29, 2018 ("AB 1912"), Section 6508.1 of the California Government Code prohibits Members from disclaiming the retirement obligations of the Agency if the Agency were to contract with a public retirement system (as defined in such statute); and

WHEREAS, also pursuant to AB 1912, Section 6508.2 of the Government Code requires that the retirement obligations of the Agency be apportioned among former and current Members such that the apportionment equals 100% of the retirement liability of the Agency if the Agency is unable to meet its retirement obligations under the circumstances described in such statute; and

WHEREAS, the Agency does not currently have any retirement contract with any public retirement system; and

WHEREAS, pursuant to Section 16 of the Agreement, the provisions of the Agreement may be amended with the written consent of the Charter Members provided that no amendment shall materially adversely affect the interests of any Additional Member unless the negative consent of that Additional Member is also obtained; and

WHEREAS, in order to ensure that Members will not be obligated for any portion of any future retirement obligations of the Agency, the Charter Members now find it necessary and desirable to amend the Agreement as provided herein, which amendment does not materially adversely affect the interests of any Additional Member; and

NOW, THEREFORE, the Charter Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

Section 1. Authority for Amendment.

This First Amendment is hereby executed in accordance with Section 16 of the Agreement.

Section 2. Definitions.

All terms defined in the Agreement shall have the same meanings when used in this First Amendment, except as otherwise provided herein.

Section 3. Amendments.

A. Amendment to Section 3.A. of the Agreement.

The paragraph in Section 3.A. of the Agreement is hereby amended to read in full as follows (additions to the Agreement shown in underline text and deletions shown in ~~striketrough~~ text):

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Community Housing Agency" (the "Agency"), and said Agency shall be a public entity separate and apart from the Members. To the extent permitted by law, its ~~its~~ debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members, and the Obligations of the Agency shall only be non-recourse obligations.

B. Amendment to Section 4 of the Agreement.

Section 4 of the Agreement is hereby amended to read in full as follows (additions to the Agreement shown in underline text and deletions shown in ~~striketrough~~ text):

The Agency shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for the Purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Agency is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property, improvements, commodities, leases, contracts, receivables, bonds or other revenue streams or assets of any kind relating to the Purpose; to exercise the power of condemnation; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to establish and collect

fees; to form public benefit nonprofit corporations or other affiliate entities to accomplish any of its Purposes; to make grants, loans or provide other financial assistance to governmental, nonprofit and for profit organizations to accomplish any of its Purposes; and generally to do any and all things necessary or convenient to accomplish its Purposes. The boundaries of the Agency shall encompass the boundaries of all the Members and the powers of the Agency may be exercised anywhere within those boundaries or to the extent permitted by the laws of the State of California, including, but not limited to the Joint Exercise of Powers Act, outside of those boundaries, which may be outside of the State of California, provided that the power of condemnation may only be exercised within the jurisdictional boundaries of the Charter Members.

Notwithstanding anything to the contrary in this Agreement, the Agency shall not have the power or the authority to enter into any retirement contract with any public retirement system (as defined in Section 6508.2 of the California Government Code) for any reason. The provision in this paragraph is intended to benefit the Members and to be a confirming irrevocable obligation of the Agency which may be enforced by the Members, individually or collectively.

Without limiting the generality of the foregoing, the Agency may issue or cause to be issued Obligations, and pledge any property, contracts or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law.

The manner in which the Agency shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California county could exercise such powers and perform such duties. The manner in which the Agency shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

C. Amendment to Section 20 of the Agreement.

Section 20 of the Agreement is hereby amended to read in full as follows (additions to the Agreement shown in underline text and deletions shown in ~~strikethrough~~ text):

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement, along with its recitals which are an integral part and are incorporated herein, is the complete and exclusive statement of the agreement among the Members, which ~~supereedessupersedes~~ and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

Section 4. Effective Date.

This First Amendment shall become effective and be in full force and effect on the date that the Board shall have received from two of the Charter Members an executed counterpart of this First Amendment.

Section 5. Miscellaneous.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

The recitals are an integral part of this First Amendment and are incorporated herein.

Any section not so amended as stated above shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Joint Exercise of Powers Agreement to be executed and attested by their duly authorized representatives as of the day and year first above written.

Charter Member:

KINGS COUNTY

By Joe Neves

Name: Joe Neves

Title: Chairman AUG 9 8 2008

ATTEST:

By Catherine Venturella

Name: Catherine Venturella

Title: Clerk of the Board of Supervisor

Charter Member:

HOUSING AUTHORITY OF THE
COUNTY OF KINGS

By Doug Verboon

Name: Doug Verboon

Title: Vice Chairman

ATTEST:

By Jennifer Molina

Name: Jennifer Molina

Title: Administrative Assistant

RECORDING REQUESTED BY
California Community Housing Agency

WHEN RECORDED RETURN TO:
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attention: [●]

PUBLIC BENEFIT AGREEMENT

By and Between

CALIFORNIA COMMUNITY HOUSING AGENCY

and

CITY OF [●]

Relating to

**CALIFORNIA COMMUNITY HOUSING AGENCY
ESSENTIAL HOUSING REVENUE BONDS
([●])**

PUBLIC BENEFIT AGREEMENT

This PUBLIC BENEFIT AGREEMENT ("Agreement"), dated _____ 1, 2021 and effective as of the Effective Date (as hereinafter defined), by and between the CALIFORNIA COMMUNITY HOUSING AGENCY, a joint exercise of powers agency organized and existing under the laws of the state of California (including its successors and assigns, "Owner"), and the City of [●] ("Host").

BACKGROUND

WHEREAS, Owner is a public entity organized pursuant to a joint exercise of powers agreement (the "Agreement") among a number of California counties, cities and special districts, including Host, and is validly existing under the laws of the State of California, in particular, Title 1, Division 7, Chapter 5 of the California Government Code (the "Joint Exercise of Powers Act"); and

WHEREAS, Owner and Host have determined that there is an undersupply of affordable housing for "middle-income" residents of Host and wish to provide for the public good and promote the health and welfare of such residents by making dwelling units available to middle-income tenants according to income criteria to be established by Owner from time to time; and

WHEREAS, pursuant to the Joint Exercise of Powers Act and the Agreement, Owner proposes to issue Bonds (as hereinafter defined) to finance Owner's acquisition of the certain multi-family rental housing project (the "Project") located at [●] in the City of [●], California, located on the real property site described in Exhibit A hereto; and

WHEREAS, the Project will provide public benefit through the production, preservation and/or protection of below-market-rate rental housing, pursuant to a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") by and between Owner and Trustee (as hereinafter defined); and

WHEREAS, Owner intends to make a contribution to Host by (a) paying or causing to be paid to Host all excess revenues derived from the Project after payment in full of related debt, taxes and other expenses, and (b) granting to Host an option (but under no circumstances an obligation) to purchase the Project or direct the sale of the Project and receive the net sale proceeds thereof, in each case as set forth herein.

AGREEMENT

In consideration of the mutual covenants herein contained, and such other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Owner and Host mutually agree as follows:

Section 1. Definitions. Capitalized terms used in this Agreement shall have the meanings assigned to them in this Section 1; capitalized terms used in this Agreement and not defined in this Section 1 or elsewhere herein shall have the meanings assigned to them in the Indenture (herein defined).

(a) “Appraised Value” – the value of the Optioned Property as determined by an independent appraiser, selected by Owner, regularly engaged in making appraisals of property similar to the Optioned Property.

(b) “Authority Indemnified Parties” – Owner and each of its officers, governing members, directors, officials, employees, attorneys, agents and members.

(c) “Bonds” – bonds of the Owner issued to finance its acquisition of the Project and related transaction costs, bearing the designation “Essential Housing Revenue Bonds ([●]),” issued in one or more series or sub-series with such series and sub-series designations as may be set forth in the Indenture, including subordinate bonds which may be placed with Project Administrator, or an affiliate thereof, if applicable, and including bonds issued to refund the Bonds, if applicable.

(d) “Bond Trustee” – Wilmington Trust, National Association or any successor trustee under the Indenture.

(e) “Closing” – shall have the meaning set forth in Section 8 of this Agreement.

(f) “Conveyance” – that transaction or series of transactions by which Owner shall transfer, bargain, sell and convey any and all right, title or interest in and to the Optioned Property.

(g) “County” – the County of ([●]).

(h) “Effective Date” – shall have the meaning set forth in Section 12 of this Agreement.

(i) “Extraordinary Costs and Expenses” – shall have the meaning set forth in the Indenture.

(j) “Fair Market Value” – the price, in no event less than the Purchase Option Price, a willing purchaser and a willing seller in an arm’s length transaction would agree upon as a fair sales price that could reasonably be expected to be received upon the sale of the Optioned Property, as determined by Owner pursuant to such means as Owner shall deem suitable for such purpose; provided that Owner’s determination of the manner of sale and Fair Market Value shall be final and incontestable.

(k) “Indenture” – the Indenture of Trust between Owner, as issuer, and the Bond Trustee, as trustee, pursuant to which the Bonds are issued.

(l) “Option” – has the meaning set forth in Section 2 of this Agreement.

(m) “Option Term Commencement Date” – the date sixteen (16) years from the date of issuance of the Bonds.

(n) “Option Term” – shall commence on the Option Term Commencement Date and, if not exercised, shall terminate at 11:59 p.m. local time on the date that is nineteen (19) years from the Option Term Commencement Date.

(o) “Optioned Property” – means all of Owner’s right, title and interest (which includes fee simple title to the real property) in and to all property and assets used in or otherwise related to the operation of the Project including, without limitation, all real property and interests in real property, all tangible and intangible personal property including furniture, fixtures, equipment, supplies, intellectual property, licenses, permits, approvals, and contractual rights of any kind or nature together with the right to own and carry on the business and operations of the Project.

(p) “Outstanding” – with respect to Bonds, as of any given date, all Bonds which have been authenticated and delivered by Trustee under the Indenture, except: (i) Bonds cancelled at or prior to such date or delivered to or acquired by Trustee at or prior to such date for cancellation; (ii) Bonds deemed to be paid in accordance with Article VIII of the Indenture; and (iii) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

(q) “Project Administrator” – [●], a [●], and its successors and assigns.

(r) “Project Administrator Sale” – a sale of the Optioned Property at its Appraised Value to Project Administrator in accordance with Section 6(c) of this Agreement.

(s) “Project Debt” – any debt secured by the Project and incurred to finance or re-finance Owner’s acquisition of the Project and related transaction costs, including any portion of the Bonds and any bonds, notes or other indebtedness issued by Owner to refund the Bonds in whole or in part.

(t) “Purchase Option Price” – the sum of the amounts set forth below:

i. an amount sufficient to either prepay, redeem in whole or fully defease for redemption on the earliest call date all Project Debt; plus

ii. any fees or other amounts not identified in clause (i) that may be necessary to effect the complete release from and discharge of any lien, mortgage or other encumbrance on the Optioned Property (the amounts in clauses (i) and (ii) being collectively referred to as the “Satisfied Indebtedness”); plus

iii. any amounts due to Owner (including the Authority Indemnified Persons, as provided in the Indenture), the Bond Trustee or any predecessor or successor, or any other Person under any indenture, loan agreement, bond, note or other instrument relating to any Satisfied Indebtedness (including, without limitation, indemnification amounts, Owner’s Extraordinary Costs and Expenses, recurrent and extraordinary fees and expenses, and reimbursable costs and expenses of any kind or nature); plus

iv. Transaction Costs; minus

v. The amount of any Project Debt assumed by Host; and minus

vi. Any funds held by or for Owner under the Indenture applied to the retirement of Project Debt, but, for avoidance of doubt, the Owner may retain amounts in

the Extraordinary Expense Fund or similar funds under the Indenture it deems reasonable as a reserve against future costs and expenses of the type described in subparagraph (iii) above, which amount shall be final and incontestable.

(u) “Third-Party Sale” - a sale of the Optioned Property to a third-party purchaser at Fair Market Value.

(v) “Transaction Costs” – to the extent not otherwise described herein, any costs or expenses of any kind or nature associated with or incurred by Owner and Host in connection with the consummation of the Conveyance, any refinancing of the Project or assumption of Project Debt regardless of whether such costs and expenses are customarily borne by the seller or purchaser in any such transaction, including but not limited to taxes, recording fees and other impositions, Owner’s and Host’s legal and other professional fees, fees for verification agents, bidding agents, escrow agents, custodians or trustees, assumption fees, prepayment fees, the cost of the appraisal (regardless of whether the Appraised Value is ultimately determined to be the Fair Market Value), surveys, inspections, title commitments, title insurance premiums and other title-related fees, and all amounts required for indemnification of Authority, Trustee and Project Administrator.

Section 2. Economic Contribution. To provide a public benefit and economic contribution to Host as described in the Recitals to this Agreement, Owner hereby (a) agrees to pay or cause to be paid to Host the amounts held in the Excess Revenue Fund pursuant to Section 3 and the Indenture, and (b) grants to Host an option (the “Option”) with respect to the Optioned Property, as more fully described in Section 6 of this Agreement.

Section 3. Excess Revenues.

(a) Owner shall cause Trustee to create an account (the “Excess Revenue Fund”) under the Indenture into which surplus cash from the Project will be deposited following payment of all other obligations and expenses as required pursuant to the Indenture. Upon exercise of the Option as provided herein, Trustee shall transfer the balance of the Excess Revenue Fund to Host in connection with the Conveyance.

(b) On the first date upon which no Bonds or other Project Debt remains Outstanding, which may be the date of the Conveyance, any and all moneys in the Excess Revenue Fund shall be transferred by Trustee to Host, to be applied by Host in its sole discretion. Thereafter, for so long as Owner remains the owner of the Project and there is no Project Debt outstanding, Owner shall pay or cause to be paid to Host, all Project-related revenue in excess of Project-related expenses, to be applied by Host in its sole discretion. At Host’s written request and expense, Owner will appoint a third-party paying agent or trustee to handle payment of excess revenues to Host following retirement of all Bonds and all Project Debt.

(c) Upon any Conveyance of the Project by Owner pursuant to the terms hereof, Owner shall apply the proceeds of the sale (i) to redeem the Bonds then Outstanding, (ii) to prepay, redeem in whole or fully defease any other Project Debt, and (iii) to pay any fees or other amounts listed in (iii) and (iv) of the Purchase Option Price definition. Any proceeds remaining following the foregoing payments shall be transferred to the Host.

Section 4. Option Term. The Option shall become effective on the Option Term Commencement Date and may be exercised during the Option Term at Host's sole discretion. Owner agrees that it will not enter into any agreement to sell all or any part of the Optioned Property during the Option Term, without the specific written request of Host and written consent of Owner, which consent shall not be unreasonably withheld, and, if Project Debt is outstanding, delivery of an Opinion of Bond Counsel to Owner substantially to the effect that such sale will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Upon the expiration of the Option Term, Owner shall use its best efforts to sell the Optioned Property at Fair Market Value. Following the expiration of the Option Term, Host shall not be precluded from purchasing all or any portion of the Optioned Property from Owner at a price and on the terms agreed upon by Host and Owner, but Owner shall not be precluded from seeking or agreeing to sell, or consummating the sale of, all or any portion thereof to any third party.

Section 5. Manner of Exercise of Option.

(a) General. Within the Option Term and in compliance with and observance of all of the terms and conditions of this Agreement, Host may, in its sole discretion, exercise the Option by:

- i. Purchasing the Optioned Property upon payment of the Purchase Option Price;
- ii. Directing Owner to cause a Third-Party Sale; or
- iii. Directing Owner to cause a Project Administrator Sale.

(b) Owner's Notice. At least six (6) months prior to the Option Term Commencement Date, Owner shall provide Host notice of the Option Term Commencement Date; provided, however, that failure to provide such notice shall not affect the sufficiency or validity of any proceedings taken in connection with the exercise of the Option.

(c) Host's Notice. To exercise the Option, Host shall provide Owner notice of its intent to exercise the Option at any time prior to the end of the Option Term.

(d) Owner's Response. Within fifteen (15) business days of its receipt of Host's notice of intent to exercise the Option, Owner shall provide Host with a written estimate of the amounts comprising the Purchase Option Price.

(e) Exercise Notice. Within fifteen (15) business days of its receipt of the estimated Purchase Option Price, Host shall provide Owner written notice either (i) that it is withdrawing its intent to exercise the Option, which will under no circumstances cause the Option Term to end, or (ii) that it intends to proceed with the exercise of the Option and specifying in accordance with subparagraph (a) above, whether Host elects to purchase the Optioned Property, cause a Third-Party Sale, or cause a Project Administrator Sale (an "*Exercise Notice*").

Section 6. Fixing of Option and Purchase Price; Contractual Obligation.

(a) Purchase Option. If Host notifies Owner of its intent to purchase the Optioned Property in accordance with Section 5 hereof, Host shall deliver to Owner a purchase agreement therefor in form and substance satisfactory to Owner and its counsel subject to the terms and conditions of this Agreement. Unless Owner shall have objected to the form of purchase agreement within fifteen (15) business days of its receipt thereof, Owner shall be deemed to have accepted the terms of the purchase agreement without the need for the signature of Owner thereon, and Host shall be obligated to purchase and Owner shall be obligated to sell and convey to Host good and marketable title to the Optioned Property at the Purchase Option Price within ninety (90) days thereafter. Upon Closing, Host may apply amounts in the Excess Revenue Fund to the payment of the Purchase Option Price and thereafter shall apply such funds in its sole discretion.

(b) Third-Party Sale. If Host notifies Owner of its request for a Third-Party Sale in accordance with Section 5 hereof, within fifteen (15) business days of Owner's receipt of such Exercise Notice, Owner shall select an appraiser to provide the Appraised Value. Owner shall then market the Optioned Property at the Appraised Value and use its best efforts to negotiate, sell and convey good and marketable title to the Optioned Property at Fair Market Value. The Owner shall endeavor to sell the Optioned Property at Fair Market Value, by such means as it shall determine to be suitable for such purpose; provided that Owner's determination of the manner of sale shall be final and incontestable, and Owner shall incur no liability to any party as a result of or otherwise in connection with the sale or failure to sell. Nothing herein shall require or prevent Owner from selling the Optioned Property subject to the restrictions set forth in the Regulatory Agreement or similar types of restrictions established by Owner.

(c) Project Administrator Sale. If Host notifies Owner of its request for a Project Administrator Sale in accordance with Section 5 hereof, within fifteen (15) business days of Owner's receipt of such Exercise Notice, Owner shall select an appraiser to provide the Appraised Value to Owner, Host and Project Administrator. If within fifteen (15) business days of receipt of the Appraised Value, Project Administrator agrees to purchase the Optioned Property at the Appraised Value, Owner shall cause Project Administrator to deliver to Owner a purchase agreement therefor in form and substance satisfactory to Owner and its counsel subject to the terms and conditions of this Agreement, and Owner shall be obligated to sell and convey to Project Administrator good and marketable title to the Optioned Property at the Appraised Value, but in no event less than the Purchase Option Price, within ninety (90) days thereafter. If Project Administrator fails to agree to purchase the Optioned Property, Host may rescind the Exercise Notice or direct Owner to proceed to close the sale under the terms of a Third-Party Sale. It shall be a condition of effectiveness to any Project Administrator Sale that the new owner (Project Administrator or its designee) shall enter into a new regulatory agreement and/or declaration of restrictive covenants, and cause the same to be recorded in the real property records of the County, providing for the continued operation of the Project for a period of not less than fifteen (15) years, or such other term as Host may agree to in writing, as middle-income housing with occupancy and income restrictions on terms substantially similar to those contained in the Regulatory Agreement.

Section 7. Terms of Conveyance of Optioned Property.

(a) The Conveyance shall be in the nature of a grant deed in which Owner shall deliver one or more deeds, bills of sale, or other instruments of transfer without recourse or warranty of any kind or nature.

(b) The Optioned Property will be conveyed in AS IS CONDITION, WITH ALL FAULTS, and without representations or warranties of any kind or nature as to the condition of the Optioned Property.

(c) In the event of a Conveyance to the Host, Host acknowledges that Owner will convey the Optioned Property AS IS and that OWNER IS MAKING NO WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, with reference to the condition of the Optioned Property. HOST WAIVES ANY AND ALL CLAIMS AGAINST OWNER, INCLUDING BUT NOT LIMITED TO, CLAIMS BASED IN PART, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, STRICT LIABILITY AND STRICT RESPONSIBILITY, IN CONTRACT, IN WARRANTY, IN EQUITY, OR UNDER ANY STATUTE, LAW OR REGULATION ARISING DIRECTLY OR INDIRECTLY OUT OF ANY CONDITION OF THE OPTIONED PROPERTY.

(d) There shall be no partial transfer and that, upon consummation of the Conveyance, Owner shall be fully divested of any and all right, title or interest in and to the Optioned Property.

(e) Upon payment of the Purchase Option Price, as adjusted for any prorations, credits and charges, Owner shall convey title to the Optioned Property by quit claim deed reasonably satisfactory in form and substance to Host.

Section 8. Closing of Conveyance of Optioned Property. The closing of the Conveyance to the Host ("Closing") shall take place not later than the ninetieth (90th) calendar day following the date on which Owner and Host agree on the terms of the purchase agreement pursuant to Section 6(a) hereof at such time within normal business hours and at such place as may be designated by Host.

(a) Prorations. All general and special real property taxes and assessments, and rents shall be prorated as of the Closing, with Host responsible for all such items to the extent arising or due at any time following the closing. General real property taxes shall be prorated at the time of Closing based on the net general real property taxes for the year of Closing.

(b) Limitation. If, after taking into account all adjustments and prorations, the net amount due Owner at Closing is less than the Purchase Option Price, it is fully understood and agreed that in no event shall Owner receive proceeds less than the amount necessary to fully retire or defease the Bonds and otherwise satisfy all of the payments constituting the components of the Purchase Option Price and the prorations in Section 8(a).

(c) Possession. Physical possession of the Optioned Property shall be delivered to Host at the time of Closing.

Section 9. Optioned Property: Title Insurance, Title Defects.

(a) Within fifteen (15) business days after it receives an Exercise Notice specifying Host's intent to purchase the Optioned Property, Owner shall provide Host with a title commitment (the "Title Commitment") in the customary ALTA form of Standard Owner's Policy of Title Insurance in Host's favor, for the amount equivalent to the Purchase Option Price (whichever is

applicable), with a commitment to insure good and marketable fee simple title to the Optioned Property in Host, issued by a title insurance company licensed to do business in the State of California and acceptable to Host (the "Title Company"). The policy shall show the status of title to the Optioned Property and show all exceptions, including easements, restrictions, rights-of-way, covenants, reservations, and other conditions of record, if any, affecting the subject real estate. Accompanying the Title Commitment, Owner shall also have Title Company furnish Host with true, correct, complete, and legible copies of all documents affecting title to the subject real estate. The cost and expense of such Standard Owner's Title Commitment shall be payable as a Transaction Cost. Host shall pay the additional premium due if Host elects to obtain an extended coverage policy of title insurance and/or extended coverage endorsements. Owner shall cooperate with Host, at no expense to Owner, by providing an affidavit to Title Company to induce Title Company to issue to Host at Closing a "GAP" endorsement to the Title Commitment showing the effective date of the Title Commitment to be the time and date of Closing.

(b) If the Title Commitment shows exceptions to title which are unacceptable to Host, Host shall, within ten (10) business days after receipt of the Title Commitment and not later than twenty (20) business days before the date for Closing, notify Owner of such fact and Owner shall have twenty (20) business days after Owner receives Host's written objections to cure such defects and to present a Title Commitment on the basis of which Closing may occur or to notify Host that Owner will not cure same. If Owner cannot or will not cure such defects within such twenty (20) business day period and thereafter convey title to the Optioned Property as required in this Agreement, then Host shall have the right (at Host's option) to either:

(i) Rescind the Exercise Notice and Owner may proceed to close the sale under the terms of a Third-Party Sale, if there is a third-party offer; or

(ii) Accept whatever title Owner can or will convey, without reduction in the purchase price because of such title defects. Any exceptions to title disclosed on the Title Commitment to which Host does not timely object to in writing or to which Host objects but thereafter accepts by Closing shall be included as a "Permitted Exception."

Section 10. Assignment of Option. Host shall not assign the Option without the prior written consent of Owner, which consent shall not be unreasonably withheld, and delivery of an Opinion of Bond Counsel to Owner substantially to the effect that such assignment will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Notwithstanding the foregoing, neither party to this Agreement shall assign its interests, obligations, rights and/or responsibilities under this Agreement without the prior written consent of the other party.

Section 11. Recording of Agreement. This Agreement, and any amendment thereto, shall be recorded with the recorder's office of the County. Host shall cooperate with Owner to remove any such recorded Agreement or amendment thereto from title to the Optioned Property upon Owner's reasonable request therefor and, in any event, by no later than the earliest of (i) a Conveyance or (ii) the expiration of the Option Term. In the event that, within said time, Host fails to so cooperate and provide its original signature to a termination of such recorded Agreement or amendment thereto, then Host hereby irrevocably constitutes and appoints Owner as Host's true

and lawful attorney (and agent-in-fact) strictly for the purpose of executing in Host's name any such termination.

Section 12. Conditions Precedent; Effective Date. Effectiveness of this Agreement shall be conditioned upon satisfaction of each of the following conditions:

- (a) Issuance of the Bonds;
- (b) Purchase of the Optioned Property by Owner as evidenced by a grant deed or comparable instrument; and
- (c) Recording in the real property records of the County of this Agreement and the Regulatory Agreement.

The first date upon which each of the above conditions is satisfied shall be the effective date of this Agreement (the "Effective Date").

Section 13. No Individual Liability.

(a) The Owner shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement or any sale or Conveyance or failure or price thereof or application of proceeds thereof, except only as to moneys available therefor under and in accordance with the Indenture and this Agreement.

(b) No Authority Indemnified Person shall be individually or personally liable for the payment of any sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement, or by any proceedings for the determination of the Purchase Option Price, or Host's exercise or waiver of same, or otherwise except in the case of such Authority Indemnified Person's own willful misconduct.

Section 14. Notices, Governing Law, Binding Effect and Other Miscellaneous Provisions.

(a) Notices. All notices provided for in this Agreement shall be in writing and shall be given to Owner or Host at the address set forth below or at such other address as they individually may specify thereafter by written notice in accordance herewith:

If to Owner:

California Community Housing Agency
1400 W. Lacey Blvd., Building 1
Hanford, California 93230
Attention: Michael LaPierre

With a copy to:

[•]

If to Host:

City of [•]

Such notices shall be deemed effective upon actual delivery or upon the date that any such delivery was attempted and acceptance thereof was refused, or if mailed, certified return receipt requested, postage prepaid, properly addressed, three (3) days after posting.

(b) Consents and Approvals. All consents and approvals and waivers required or asserted hereunder shall be in writing, signed by the party from whom such consent, approval, waiver or notice is requested, provided that no written consent or approval of Owner shall be required for any action that Host may, in its reasonable good faith judgment, find it necessary to take in the event of an emergency.

(c) Cooperation. Owner will keep Host advised of its complete name at all times, including any change of such name. Host will keep Owner advised of its complete name at all times, including any change of such name. Unless the parties otherwise agree, Owner shall cooperate with Host and provide Host with all information and records in its possession, and access to counsel and other professionals, to assist Host in determining and updating the Purchase Option Price. On the first date that Project Debt is not Outstanding, and Owner remains the owner of the Project, Owner shall promptly notify Host of the Purchase Option Price.

(d) Maintenance of Membership. In order to preserve the Project's exemption from property tax, Host agrees to remain a member of the Owner joint powers authority so long as any Bonds remain outstanding.

(e) Pronouns. Where appropriate to the context, words of one gender include all genders, and the singular includes the plural and vice versa.

(f) Amendments. This Agreement may not be modified except in a written instrument signed by Host and Owner.

(g) Complete Agreement. This Agreement together with all schedules and exhibits attached hereto and made part thereof supersedes all previous agreements, understandings and representations made by or between the parties hereto.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles. All claims of whatever character arising out of this Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between Owner and any other party hereto, if and to the extent that such claim potentially could or actually does involve Owner, shall be brought in any state or federal court of competent jurisdiction located in Kings County, California. By executing and delivering this Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non-conveniens; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by Owner of any prior notice or procedural requirements applicable to actions or claims against or involving governmental units and/or political subdivisions of the State of California that may exist at the time of and in connection with such matter.

(i) Subordination. This Agreement shall be subordinate to any claim, pledge or interest in the Optioned Property securing the Bonds or any Project Debt.

(j) Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalid provision shall be deemed severable, and shall not affect the validity or enforceability of any other provisions of this Agreement, all of which shall remain fully enforceable.

(k) Term. This Agreement shall terminate upon the earliest of a (i) Conveyance or (ii) the expiration of the Option Term in accordance with this Agreement.

(l) Captions. The captions used in this Agreement are solely for convenience and shall not be deemed to constitute a part of the substance of the Agreement for purpose of its construction.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

**CALIFORNIA COMMUNITY HOUSING
AGENCY**

By:

CITY OF [●]

By:

Signature Page to Public Benefit Agreement

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY