

CDBG-DR MHP Developer Commitment Agreement

This Agreement made and entered into by and between the Town of Paradise, California, acting by and through its Town Manager, with offices at 5555 Skyway Road, Paradise, CA 95969 ("TOWN") and Mercy Housing California 113, L.P. located at 1256 Market Street, San Francisco, CA 94102 ("OWNER").

WHEREAS the TOWN is a subrecipient of the State of California Department of Housing and Community Development ("HCD"), who is providing Community Development Block Grant-Disaster Recovery Multifamily Housing Program ("CDBG-DR MHP") funds from the United States Department of Housing and Urban Development ("HUD") to qualified applicants in accordance with the requirements of HCD's CDBG-DR MHP Program ("PROGRAM"); and

WHEREAS OWNER will own and operate the property, and is the applicant for a project more particularly described herein ("PROJECT") and the PROJECT developer. OWNER will enter into the Agreements required hereunder; and

WHEREAS, OWNER has applied to the TOWN as evidenced by a completed Application, including all written responses, exhibits, attachments, addenda, and amendments pertaining thereto, (collectively, "APPLICATION"); and

WHEREAS, to ensure that the PROJECT will be constructed, used, and operated in accordance with these requirements, OWNER and the TOWN have agreed to enter into this CDBG-DR MHP PROJECT Commitment Agreement ("AGREEMENT").

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the TOWN and OWNER hereby contract and agree as follows:

I. PROJECT Summary and Important Contractual Dates

The PROJECT will be located at 1933 Cypress Lane, Paradise, California (1623, 1626 and 1633 Cypress Lane, Paradise, California (APNs 050-140-151, 050-140-155 , 050- 140-160, 050-140-161, and 050-140-162), (see attached copy of Purchase and Sale Agreement between Mercy Housing California and Paradise Investment Group LLC dated April 26, 2022, at Exhibit G) and consists of the new construction of the PROJECT. This rental housing PROJECT will contain seventy (70) units of rental housing, of which sixty-nine (69) units will be assisted with CDBG-DR MHP funds. The PROJECT will be developed by OWNER; constructed by Sunseri Construction, Inc; and managed by Community Housing Improvement Program, Inc. The architects for the PROJECT will be Northstar and Anders & Falltrick Architects. Any changes to any of these responsible entities or their partners, except the limited partner in accordance with the OWNER's partnership agreement, must be disclosed to, and approved by (unless permitted by the Loan Documents), The TOWN of Paradise during the term of the loan and throughout the full affordability period.

Important PROJECT Parameters and Dates

Description of Requirement or Event	Date or Amount
Number of total PROJECT units	Seventy (70)
Number of CDBG-DR MHP assisted units	Sixty-nine (69)
Number of CDBG-DR MHP units affordable to 30% AMI households	Eleven (11)
Number of CDBG-DR MHP units affordable to 50% AMI households	Thirty-six (36)
Number of CDBG-DR MHP units affordable to 60% AMI households	Twenty-two (22)
Amount of TOWN CDBG-DR MHP funding	Fourteen million, two hundred seventy-eight thousand, six hundred seventy-seven dollars (\$14,278,677)
Total PROJECT budget	Forty million, three hundred ten thousand, seven hundred forty-six dollars (\$43,597,249)
Construction start deadline	Within ninety (90) days of PROJECT closing
The TOWN of Paradise CDBG-DR MHP funding expenditure deadline	August 31, 2026
Construction completion deadline	November 30, 2025
PROJECT lease-up/closeout deadline	November 30, 2026

- II. The TOWN of Paradise is providing a portion of its allocation of CDBG-DR MHP funds to partially fund this PROJECT. CDBG-DR funds were appropriated by the federal government to the State of California on January 27, 2020 through 85 FR 4681 under Public Laws 115–254 and 116–20, Catalog of Federal Domestic Assistance Number 14.228. The California Department of Housing and Community Development (HCD) is the lead and Responsible Entity for administering the CDBG-DR funds allocated to the State of California. The CDBG-DR MHP PROGRAM was developed by HCD, and the Town of Paradise is a subrecipient of funding through this PROGRAM. The CDBG-DR program is administered by HUD, and both the Federal regulations (Title I of the Housing and Community Development Act of 1974, as amended; 24 CFR Part 570; 2 CFR Part 200) and the State’s CDBG-DR MHP PROGRAM regulations and requirements outlined in the HCD DR18 Disaster Recovery Multifamily Housing Program Policies and Procedures Manual must be followed in the development and operation of this PROJECT. CDBG-DR MHP Requirements

- A. CDBG-DR MHP funded Activities: CDBG-DR MHP funds will be used to support the following activities related to the purchase, improvement, and rental of property as affordable housing to households at or below eighty percent (80%) of the area median income (AMI) adjusted by household size. Eleven (11) of the CDBG-DR MHP assisted

units will be provided as affordable rental housing to households at or below thirty percent (30%) of the AMI. No activity (including, but not limited to, property acquisition and construction) should take place until the execution of this AGREEMENT and the approved completion of the environmental review:

Eligible activity for which all CDBG-DR MHP funds will be used	Funding Amount
New construction of housing units	\$14,278,677

OWNER will be responsible for all costs incurred prior to obtaining an executed AGREEMENT.

- B. Affordable Rent Restrictions: OWNER must charge rents for the CDBG-DR MHP assisted units in accordance with Exhibit B and this Section II.B that do not exceed High HOME Rent Limits and Low HOME Rent Limits as published annually by HUD. High HOME Rent Limits shall apply to PROJECT units serving households at or below sixty percent (60%) of the area median income (AMI) in accordance with Section II.C of this Agreement. Low HOME Rent Limits shall apply to PROJECT units serving households at or below thirty percent (30%) of the area median income (AMI) in accordance with Section II.C of this Agreement. All rents listed must be adjusted for any utilities paid by the tenant using the approved Utility Allowance Schedule for the project.
1. The CDBG-DR MHP PROGRAM requires that the HOME Investment Partnership Program ("HOME") regulations regarding rents must be followed. Per these regulations at 24 CFR Part 92.252, HUD provides the maximum HOME rent limits, with adjustments for the number of bedrooms in the unit. These limits are adjusted annually by HUD, and it will be the responsibility of OWNER to ensure that rents do not exceed the applicable HOME rents ("AFFORDABLE RENTS") during the full affordability period. One hundred percent (100%) of CDBG-DR MHP assisted units must be at or below the current, HUD established, High HOME rent, less tenant paid utilities (using an approved Utility Allowance Schedule). Current HOME rents for Chico, CA MSA/Butte County are listed in Exhibit B, attached hereto, and updated annually by HUD/HCD.
 2. The rent standards must be reduced if the tenant pays for utilities and documented with an approved Utility Allowance Schedule provided to the Town annually. This is because the calculation of these rent standards includes all utilities except telephone. In practice, many utilities (water, heat, air conditioning, cooking gas, etc.) are not included in rents. Utility allowances provide a mechanism for adjusting the maximum allowable AFFORDABLE RENTS when the tenant pays some or all utilities.
 - a. OWNER must use the HUD Utility Schedule Model (HUSM) or the standard of the local housing authority to calculate tenant paid utilities and include an updated and completed model in their files and provide to the Town on an annual basis. The HUSM, along with instructions and other related data and information is found on the HUD.gov web page.

- b. These utility calculations should then be used along with current allowable HOME rent limits to adjust the rents annually.
3. OWNER cannot refuse to lease CDBG-DR MHP-assisted units to a certificate or voucher holder, as described in 24 CFR 92.252 (d).

Current Income Calculations for Butte County, CA (2023)								
Household Size	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
30% AMI	\$ 17,350	\$ 19,800	\$ 24,860	\$ 30,000	\$ 35,140	\$ 40,280	\$ 45,420	\$ 50,560
50% AMI	\$ 28,900	\$ 33,000	\$ 37,150	\$ 41,250	\$ 44,550	\$ 47,850	\$ 51,150	\$ 54,450
60% AMI	\$ 34,680	\$ 39,600	\$ 44,580	\$ 49,500	\$ 53,460	\$ 57,420	\$ 61,380	\$ 65,340

C. Tenant Requirements: The following requirements pertain to the lease of the housing units to eligible tenants:

1. Occupancy by Low Income Households:
 - a. Eleven (11) of the units assisted with CDBG-DR MHP funds must serve households with incomes at or below thirty percent (30%) of the area median income (AMI), adjusted by household size, as defined in the table above, throughout the full affordability period.
 - b. Thirty-six (36) of the units assisted with CDBG-DR MHP funds must serve households with incomes at or below fifty percent (50%) of the area median income (AMI), adjusted by household size, as defined in the table above, throughout the full affordability period.
 - c. Twenty-two (22) of the units assisted with CDBG-DR MHP funds must serve households with incomes at or below sixty percent (60%) of the area median income (AMI), adjusted by household size, as defined in the table above, throughout the full affordability period.

Income must be calculated using an allowable methodology as outlined in the Technical Guide for Determining Income and Allowances for the HOME PROGRAM available on the HUD.gov web page.

2. Period of Affordability: CDBG-DR MHP assisted units must meet the affordability requirements, including affordable rents and rental occupancy by income eligible tenants as described elsewhere in this document. These restrictions will be imposed for twenty (20) years ("Period of Affordability"), following PROJECT completion (receipt of a Certificate of Occupancy). This is the minimum amount of time allowable by HCD for rental housing units under the PROGRAM. Affordability requirements apply regardless of the term of any loan or mortgage or the transfer

of ownership. They will be imposed by a Deed Covenant. The TOWN will also conduct monitoring and inspections and will require recordkeeping and reporting requirements annually throughout the Period of Affordability. OWNER shall participate as requested by the TOWN and provide requested information and data to complete the process to the satisfaction of the TOWN, HUD and/or HCD.

OWNER shall execute, abide by, and record an Affordable Housing Restriction which will, among other things, restrict the use and occupancy of the PROJECT, as well as the PROJECT's rental rates for the Period of Affordability. OWNER hereby understands and agrees that all covenants and restrictions regarding the Affordable Housing Restriction must be covenants running with the land and will be binding on the OWNER, its successors in title, and subsequent owners of the PROJECT Site (except, upon due notice to the TOWN, the Affordable Housing Restriction must terminate upon foreclosure or OWNER's execution and delivery of a deed in lieu of foreclosure) during the Period of Affordability.

During the Period of Affordability, OWNER must comply with the following covenants regarding the CDBG-DR MHP Assisted Units:

- a. OWNER hereby covenants not to convert the newly constructed units in accordance with the PROJECT Plans for the applicable Period of Affordability to condominium ownership or any form of cooperative ownership or mutual housing that has a resale structure that does not enable the cooperative to maintain twenty-two (22) of the CDBG-DR MHP assisted rental units affordable to households with incomes at or below 60% of the area median income, thirty-six (36) of the CDBG-DR MHP assisted rental units affordable to households with incomes at or below 50% of the area median income, and eleven (11) of the CDBG-DR MHP assisted rental units affordable to households with incomes at or below 30% of the area median income. OWNER further agrees that it must maintain the AFFORDABLE RENTS and Occupancy Standards required pursuant hereto.
- b. OWNER hereby covenants and agrees that OWNER will not discriminate against prospective tenants at the PROJECT on the basis of their receipt of, or eligibility for, housing assistance under any federal, state, or local housing assistance PROGRAM or, except for a housing project for elderly persons, on the basis that the tenants have a minor child or children who will be residing with them, for the applicable Period of Affordability.
- c. These covenants and those through the Affordable Housing Restriction must constitute mutual covenants running with the PROJECT Site during the applicable Period of Affordability and the TOWN must have the same right to invoke and enforce the provisions of this Article and all other relevant provisions of this AGREEMENT against all successive and future owners of the PROJECT Site, unless said future owner or owners must have acquired title to the PROJECT Site pursuant to a foreclosure action instituted by the TOWN or a foreclosure action under loan documents securing private financing.

- d. Covenant against Transfer of PROJECT Site: Except as otherwise permitted by the Loan Documents, during the Period of Affordability, OWNER, may not, without the prior written consent of the TOWN, which consent may be withheld in the TOWN's sole discretion, (a) include, or permit any other person or entity to include any real property that is part of the PROJECT Site in any other existing or proposed PROJECT or development, or (b) assign, convey or transfer any such real property to any individual or entity, or agree to make such assignment, conveyance or transfer. The prohibition contained in this Section must apply to any such real property, whether or not CDBG-DR MHP Funds were or will be spent on the real property, and whether or not the other existing or proposed PROJECT or development will be financed in whole or in part by CDBG-DR MHP Funds. By way of example, but not limitation, this Section applies to any AGREEMENT by the OWNER of the PROJECT to convey a vacant lot that is part of the PROJECT Site and that is not improved as part of the PROJECT.
- e. No conversion of the rental units to homeowner units or sale of these units may occur during the term of the Period of Affordability.
- f. OWNER hereby covenants that the determination of whether a household meets the income requirements set forth herein must be made by the OWNER, at the time of leasing of a unit in the PROJECT and thereafter at least annually on the basis of the current income of such household. OWNER hereby covenants and agrees that the OWNER will maintain this data and must, upon reasonable notice and during normal business hours, give access to it and all books, accounts, reports, files, and other papers or property of OWNER pertaining to the TOWN CDBG-DR MHP Loan to the inspector General of HUD, the Comptroller General of the United States, the TOWN, or any of their duly authorized representatives for the purpose of making surveys, audits, examinations, excerpts, and transcripts.
- g. All property leases with tenants must be for a period of at least one (1) year, unless a shorter term is requested by tenant in writing and agreed to by OWNER. A copy of the lease must be made available to the TOWN upon request and must not contain any of the following prohibited clauses.
 - i. Agreement to be sued: Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the OWNER in a lawsuit brought in connection with the lease.
 - ii. Treatment of property: Agreement by the tenant that the OWNER may seize or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This provision does not apply to disposition of personal property left by a tenant who has vacated a property.
 - iii. Excusing OWNER from responsibility: Agreement by the tenant not to hold the OWNER or the OWNER's agents legally responsible for any action or failure to act, whether intentional or negligent.

- iv. Waiver of notice: Agreement by the tenant that the OWNER may institute a lawsuit without notice to the tenant.
- v. Waiver of legal proceedings: Agreement by the tenant that the OWNER may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
- vi. Waiver of a jury trial: Agreement by the tenant to waive any right to a trial by jury.
- vii. Waiver of right to appeal court decision: Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court, a court decision in connection with the lease.
- viii. Tenant chargeable with cost of legal actions regardless of outcome: Agreement by the tenant to pay attorney's fees or other legal costs, even if the tenant wins in a court proceeding by the OWNER against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- ix. Termination clauses: Agreement by the tenant that allows termination without a 30-day notice and for other than repeated violation of the terms and conditions of the lease; violation of applicable federal, state, or local law; completion of the tenancy period for transitional housing or for other good cause.
- h. The OWNER shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with CDBG-DR MHP funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the OWNER must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.
- i. The OWNER must adopt written tenant selection policies and criteria, as provided in Exhibit E, that:
 - i. are consistent with the purpose of providing housing for very low-income and low-income households;
 - ii. are reasonably related to PROGRAM eligibility and the applicants' ability to perform the obligations of the lease.
 - iii. provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
 - iv. give prompt written notification to any rejected applicant of the grounds for any rejection.
- D. Conditions on acquisition/construction activity: OWNER must not take title until after the environmental review has been completed and approved by the TOWN and HCD

for this PROJECT and a release of funds has been issued. Construction may not take place until a PROJECT closing has been held with the TOWN, all needed documents have been executed, and a notice to proceed has been issued by the TOWN.

This PROJECT must be constructed and operated in conformance with all requirements of the environmental site assessment and HCD approved environmental review and all required compliance with special conditions have been implemented (i.e. WUI, Broadband, Energy Efficiency).

- E. Relocation: All properties acquired for this PROJECT must be vacant prior to the initiation of the PROJECT and remain vacant through the execution of this AGREEMENT. OWNER must adhere to federal requirements related to acquisition, displacement and relocation found at 49 CFR Part 24 (the Uniform Relocation Assistance and Real Property Acquisition Act).

Per the Federal Register Notice, no funds allocated to a CDBG-DR funded project may be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use as defined in 83 FRN 40314.

- F. Applicable Laws: OWNER agrees to abide by any and all federal, state, and TOWN laws, codes, ordinances, rules, and regulations applicable to the PROJECT, whether presently existing or hereafter promulgated, including without limitation environmental laws, building codes, land use, and zoning codes.
- G. Uniform Administrative Requirements: OWNER acknowledges that TOWN must comply with all applicable provisions of Title 2, Subtitle A, Chapter II, PART 200— UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS contained in Title 2 CFR § 200 et seq.
- H. Religious and Political Activities: OWNER is prohibited from using funds provided by the Financing Loan or personnel employed in the administration of the PROGRAM for sectarian or religious activities, lobbying, political patronage and/or nepotism activities. OWNER further agrees that no funds provided, nor personnel employed under this AGREEMENT, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code (Hatch Act), 24 CFR Section 570.207(a)(3), or 24 CFR Section 570.200(j).
- I. Section 3 of the Housing and Urban PROJECT Act of 1968: OWNER agrees to comply with the provisions of Section 3 of the Housing and Urban PROJECT Act of 1968 (12 U.S.C. §1701u) and implementing regulations contained in 24 CFR Part 75 regarding economic opportunities for low- and very low-income persons. OWNER shall also keep records demonstrating compliance with the foregoing regulations, including without limitation the provisions of 24 CFR Section 570.506(g)(5). In addition, OWNER agrees to comply with the following requirements:

1. To prepare and utilize a Section 3 Plan for the TOWN in compliance with HUD.

2. To designate a Section 3 Coordinator and provide data to the TOWN per required manual provide by the TOWN.
 3. To take affirmative steps to follow the Section 3 Plan, document those efforts and provide required data and information to the TOWN.
 4. To include a Section 3 Clause and the Contractor Certification of Efforts to Fully Comply with Employment and Training Provision of Section 3 in any construction contract in excess of \$100,000 and in compliance with the TOWN plan and manual provided.
- J. Minority and Women Business Enterprise (M/WBE): Per 2 CFR 200.321, Subrecipients, contractors, and/or Developers must take all necessary affirmative steps to ensure that minority business, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps include:
1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists
 2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources
 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises
 4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises
 5. Using the services and assistance, as appropriate, of such organizations as the SBA and the Minority Business Development Agency of the Department of Commerce
 6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) above.

As a subrecipient to the State, the TOWN will be required to collect information from all contractors and Developers and report all contracts and subcontracts awarded to minority businesses, women's business enterprises and labor surplus area firms to the TOWN on an annual basis. OWNER agrees to comply with these requirements, and to collect information needed for reporting to the TOWN in compliance with HCD.

- K. Affirmative Marketing: OWNER shall conduct affirmative marketing and minority outreach activities in compliance with 24 CFR 92.351 in the leasing of units in this PROJECT, and all other PROJECT activities.

Developers advertise Projects and units to fill vacant units or to develop a waiting list of interested applicants for the subsidized housing. Affirmative Marketing involves special outreach and advertising efforts designed to communicate the availability of CDBG-DR MHP assisted housing to those groups or individuals who might otherwise be unlikely to apply. Those groups are identified through analysis of local housing market area demographics using statistics readily available from the U.S. Census Bureau and

determining appropriate advertising and outreach efforts to be followed by Developers to reach out to those least likely to apply for the housing opportunity. Affirmative marketing efforts must begin at least 90 days prior to initial or renewed occupancy for new construction and Substantial Rehabilitation Projects, respectively.

HCD has determined that in addition to the required demographic analysis, individuals and families that were impacted by the disasters, low-income immigrants, persons with limited English proficiency, and Section 8 Housing Choice Voucher holders are least likely to apply. Examples of renters impacted by the disasters include renters that have lost rental units or have been displaced due to the impacts of DR-4382 and DR-4407.

- L. Equal opportunity, Non-Discrimination, and Fair Housing: OWNER shall not, on the grounds of race, color, religion, national origin, ethnicity, familial status, sexual orientation, or gender, exclude any person from participation in, or deny any person the benefits of, or subject any person to discrimination with respect to, any part of the PROJECT. OWNER shall at all times comply with the following requirements:
1. Title VI of the Civil Rights Act of 1964: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.
 2. Title VII of the Civil Rights Act of 1968 (The Fair Housing Act): This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promote fair housing.
 3. Restoration Act of 1987: This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, Disability or age in a program or activity which does not directly benefit from such assistance.
 4. Section 109 of Title 1 of the Housing and Community Development Act of 1974 [42 U.S.C. 53091]: This Section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.
 5. The Fair Housing Amendment Act of 1988: This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older
 6. The Age Discrimination Act of 1975: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving federal funding

assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic including: KRS 18A.140; KRS 344.040; 1 01 KAR 1 :350 Paragraph 11; 1 01 KAR 1 :375 Paragraph 2(3); 101 KAR 2:095 Paragraphs 6 and 7.

7. Section 504 of the Rehabilitation Act of 1973: It is unlawful to discriminate based on Disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her Disability, be excluded from participation (including employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.
8. The Americans with Disabilities Act of 1990 (ADA): This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against "a qualified individual with a Disability" in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.
9. Executive Order 11063: This executive order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.
10. Executive Order 11259: This executive order provides that the administration of all federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.
11. The Equal Employment Opportunity Act: This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court against private sector employers after the EEOC has investigated the charge, found "probable cause" of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.
12. The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978: This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal, and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.

13. The Vietnam Era Veterans' Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002): This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.
14. Executive Order 11246: This executive order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.
- M. Duplication of Benefits: OWNER understands and agrees to comply with the Duplication of Benefits requirements of CDBG-DR, in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5207) (Stafford Act) and Federal Register Notice published June 20, 2019 (84 FR 28836).
- N. Article XXXIV: This CDBG-DR MHP funded PROJECT must be in compliance with article XXXIV, section 1 of the California Constitution ("Article XXXIV"), or that it falls within one or more of the statutory carveouts set forth by California's Public Housing Election Implementation Law (PHEIL) (Health & Saf. Code, §§ 37000 – 37002). For instance, some Projects will be exempt from Article XXXIV on the basis of Health and Safety Code section 37001, subdivision (f), because they consist of the "replacement" of "dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower income households.
- O. Construction Wage Related Requirements: OWNER agrees to comply with the TOWN issued documents related to Labor Compliance for the project which includes is but not limited to the following.
 1. Contract Work Hours and Safety Standards Act: OWNER agrees to comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. §327-333), as supplemented by the Department of Labor regulations contained in 29 CFR Part 5.
 2. Prevailing wages: The PROJECT meets the federal prevailing wage threshold of 8 or more CDBG-DR MHP assisted units and may also be subject to State prevailing wage requirements. OWNER agrees to comply with such prevailing wage requirements. The federal requirements can be found at 2 CFR 200 Appendix II (D); 29 CFR Parts 1, 3,5,6, and 7. OWNER will make the records of compliance with prevailing wage requirements available to TOWN, as required pursuant to the issued manual for compliance.
 3. Copeland "Anti-Kickback" Act: OWNER agrees to comply with the Copeland "Anti-Kickback" Act (18 U.S.C. §874) as supplemented by the Department of Labor regulations contained in 29 CFR Part 3.
- P. Resident Aliens: OWNER agrees to comply with the requirements set forth in 24 CFR Section 570.613 regarding eligibility restrictions for certain resident aliens.
- Q. Debarment and Suspension: In connection with this PROJECT, OWNER shall comply with the debarment and suspension requirements set forth in 24 CFR Part 5 and 24 CFR Part 24. OWNER shall not enter into a contract with any person, agency or entity that is

debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 or 12689. In the event that OWNER has entered into a contract or subcontract with a debarred or suspended party, no CDBG-DR MHP funds will be provided as reimbursement for the work done by that debarred or suspended contractor or subcontractor. All contractors must provide an active registration under the Sam.gov site prior to entering into a contract for the project.

- R. Historic Preservation: To the extent applicable, OWNER agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the PROJECT.
- S. CDBG-DR MHP PROGRAM Mandatory Acknowledgements: OWNER will sign and abide by the "Lobbying Certification", Exhibit C; and "Conflict of Interest Certification" Exhibit D; at the end of this document, and with the related federal provisions.

III. **Scope of PROJECT**

- A. Preconstruction and Other PROJECT Costs: OWNER shall pay all costs and expenses incurred in connection with this PROJECT, whether or not the Closing occurs, including by way of illustration and not limitation recording fees, title insurance costs related to the title policy in favor of the TOWN, escrow fees, flood zone determination fees, survey fees, appraisal costs, environmental and historic property review, and site inspection fees. This obligation shall survive any termination, avoidance, or cancellation of this Commitment AGREEMENT.
- B. Construction: In all work under this contract, OWNER must adhere to all applicable federal, state, and local laws, codes, zoning, and other requirements relating to construction and housing safety, quality, and habitability.
 - 1. New construction must meet all requirements of the TOWN Building Department and the applicable California Building Codes.OWNER is responsible for managing work quality and flow, change orders, construction delays, and cost overruns in an efficient manner. The quality of units upon completion must meet the TOWN's Standards, in order to be accepted. The TOWN reserves the right to inspect unit quality at any time during or following the construction process.
- C. Accessibility: OWNER shall comply with Section 504 of the Rehabilitation Act of 1973, and the implementing regulations contained in 24 CFR Part 8. The PROJECT shall be accessible to and usable by individuals with handicaps, in compliance with the Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157), the Uniform Federal Accessibility Standards, as set forth in 24 CFR Section 570.614, and the Americans with Disabilities Act of 1990.
- D. Green Building and Energy Efficiency: The TOWN requires OWNER to meet all State requirements regarding green building and energy-efficiency improvements in all

CDBG-DR MHP activities to provide for long-term affordability and increased sustainability and attractiveness of housing and neighborhoods. This PROJECT is expected to meet all energy efficiency requirements as stated in the California Building Code and to meet CALGreen requirements.

As a mandatory standard, this PROJECT is required to follow CALGreen requirements for construction permits and approvals. OWNER shall ensure CALGreen compliance in the Project plans and in the constructed development at construction close out, and shall provide records to TOWN verifying compliance, as requested.

- E. Permits: OWNER agrees to obtain and maintain all necessary permits for intended improvements or activities for the PROJECT, and for the operation of the PROJECT. Evidence of having secured all necessary permits shall be provided to the TOWN prior to PROJECT closing.
- F. Replacement Reserves: OWNER will execute a Replacement Reserve Agreement at the time of PROJECT Closing and will establish and maintain a Replacement Reserve Fund in accordance with the Replacement Reserve Agreement. OWNER will be responsible to annually (or monthly, at the discretion of OWNER) deposit funds for capital improvements to the property into the reserve, according to requirements outlined in the Replacement Reserve Agreement.
- G. Lease-up and Management of Property: OWNER is responsible for timely lease-up of the PROJECT, within the parameters outlined in this AGREEMENT, and is responsible for all facets of PROJECT management, including, but not limited to leasing, upkeep, maintenance, settling of disputes, recordkeeping, reporting, and payment of all related expenses and debts.

IV. CDBG-DR MHP Funding Information

Financing Terms: CDBG-DR MHP funding is being made available by the TOWN as a PROJECT Financing Loan ("CDBG-DR MHP Loan") to OWNER and may be used for both construction and permanent financing. A Deed of Trust, Promissory Note, one CDBG-DR MHP Regulatory Agreement, a Replacement Reserve Agreement, and other closing documents, as required, shall be provided to OWNER prior to PROJECT closing. OWNER shall sign the Replacement Reserve Agreement and a lien shall remain on the property for the full term of the affordability period.

- A. Loan Terms: This loan will have the following terms.
 - 1. Loan will have a three percent (3%) interest rate.
 - 2. The total term of the loan will be fifty-five (55) years, as determined by the required affordability period and the TOWN.
 - 3. Collateral will be a subordinate (2nd) mortgage in favor of the TOWN for the term of the affordability period.
 - 4. Payments will be paid to the extent of 50% of Surplus Cash, as defined in the promissory note.

5. OWNER will be the loan recipient.
6. The Loan shall be secured by one CDBG-DR MHP written regulatory agreement, a deed of trust, and evidenced by a promissory note.
7. The balance of the loan shall be repaid in full upon any default of any agreement referenced in this document, refinancing, sale, or transfer of the property during the term of the loan (other than transfers permitted under the Loan Documents or for purposes of tax credit syndication or as a result of a foreclosure by a senior lender), unless the TOWN agrees to allow the loan obligations to transfer to a new owner.
8. Full repayment of the loan will also be required if the PROJECT goes into default of the AGREEMENT or CDBG-DR MHP regulatory agreement after the passage of applicable notice and cure periods.

NOTE: The loan term and affordability period does not begin until the PROJECT is complete and eligible tenants occupy the assisted units. The CDBG-DR Regulatory Agreement will be executed by the OWNER, in favor of the TOWN of Paradise in connection with the TOWN of Paradise CDBG-DR MHP Loan that will govern the affordability of the PROJECT, to be executed as of the date of closing and to be recorded with the Butte County Recorder's Office as it may be amended from time to time. The CDBG-DR Regulatory Agreement shall survive any other agreements or changes in property ownership and shall remain in place for the full twenty (20) year Period of Affordability, regardless of loan payoff.

V. Responsibilities of OWNER

- A. Tasks to be Performed: The tasks to be performed are the development and management of affordable residential rental property, including acquisition, new construction, lease up, and property management. PROJECT documents required of OWNER by TOWN prior to closing, including the application for funding, those described in this section, and those listed in Attachment A to the Conditional Reservation Letter will be a part of this AGREEMENT, by reference.
- B. OWNER shall be responsible for all management functions of the multifamily housing development including construction, rehabilitation, maintenance, selection of the tenants, annual recertification of Household income and size, and managing the units in accordance with program requirements.
- C. OWNER is responsible for all repair and maintenance functions of the multifamily housing development, including ordinary maintenance and replacement of capital items. OWNER shall ensure maintenance of residential units, commercial space, and common areas in accordance with local health, building, and housing codes, TOWN inspection and repair requirements and the management plan.
- D. OWNER shall ensure that the Project is managed by an entity approved by TOWN that is actively in the business of managing affordable housing. Any management contract entered into for this purpose shall be subject to TOWN approval and contain a provision allowing OWNER to terminate the contract upon 30-days' notice. **OWNER shall**

terminate said contract as directed by TOWN upon determination that the property manager has failed to comply with program requirements and such failure continues beyond applicable notice and cure periods.

- E. OWNER shall develop a management plan subject to TOWN approval prior to the start of construction. Any change to the plan shall be subject to the approval of TOWN. The plan shall be consistent with program requirements and should include the following:
1. The role and responsibility of OWNER and its delegation of authority.
 2. Personnel policy and staffing arrangements.
 3. Plans and procedures for publicizing and achieving early and continued occupancy.
 4. Procedures for determining tenant eligibility and selecting tenants and for certifying and annually recertifying Household income and size.
 5. Plans for carrying out an effective maintenance and repair program.
 6. Rent collection policies and procedures.
 7. A program for maintaining adequate accounting records and handling necessary forms and vouchers.
 8. Plans for enhancing tenant-management relations.
 9. The management agreement, if any.
 10. Provisions for periodic update of the management plan.
 11. Appeal and grievance procedures.
 12. Plans for collections for tenant-caused damages, processing evictions and terminations.
 13. A supportive services plan for Projects serving Special Needs Populations, including Supportive Housing and/or providing Supportive Services to the general tenant population.
- F. Plans and Specifications: Thirty (30) days prior to closing, OWNER is to provide to the TOWN a copy of the PROJECT plans and specifications, in electronic format (PDF) including Architectural, Mechanical, Electrical and Plumbing specifications. Plans must be certified by the development architect to be 90% percent complete or better and include dimensions. Units must meet all CDBG-DR MHP requirements, applicable CalGreen and Wildlands-Urban Interface requirements, and the agreed upon design and accessibility requirements, as outlined in the final APPLICATION to the TOWN and in this AGREEMENT. The plans and specifications must be approved by the TOWN prior to PROJECT closing.

In accordance with the Federal Register Notice requirement to support the adoption and enforcement of modern and/or resilient building codes and mitigation of hazard risk, structures located in any Fire Hazard Severity Zone within State Responsibility Areas, any Local Agency Very-High Fire Hazard Severity Zone, or any Wildland Urban Interface Fire Area designated by the enforcing agency must comply with WUI codes,

found in Title 24, Chapter 7a of the California Building Code, which offer specific material, design and construction standards to maximize ignition- resistance.

- G. Broadband Infrastructure. Per 83 FRN 40314, any Substantial Rehabilitation or new construction of a building with more than four rental units must include installation of broadband infrastructure, except where the Subrecipient documents that: 1) The location of the new construction or Substantial Rehabilitation makes installation of broadband infrastructure infeasible; 2) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or 3) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.
- H. Construction Schedule: OWNER is to provide the TOWN with a detailed and final construction schedule by trade, and a lease up schedule for this PROJECT, thirty (30) days prior to closing.
- I. PROJECT Budget: OWNER is to provide the TOWN with a detailed and final development, construction, and operating budget for this PROJECT, including all sources and uses, thirty (30) days prior to closing.
- J. Commitments of other Funding Sources: OWNER is to provide to the TOWN letters of commitment for all PROJECT funds, including funding amounts and specifying all key business terms thirty (30) days prior to PROJECT closing. OWNER shall also identify any and all key conditions that need to be satisfied before each funder will be willing to close.
- K. Construction Contract: OWNER must provide the TOWN with a fixed fee construction contract or contracts acceptable to the TOWN and its legal counsel thirty (30) days prior to the closing of the TOWN CDBG-DR MHP Loan, indicating a total construction contract cost, which is determined by the TOWN, in the exercise of its sole discretion, to be reasonable for the PROJECT.
- L. Deadlines: OWNER must take title (in the case of acquisition) and have a fully executed construction contract for the PROJECT by February 29, 2024. Construction may not take place until a PROJECT closing has been held with the TOWN, all needed documents have been executed, and a notice to proceed has been issued by the TOWN. Construction shall begin within ninety (90) days of PROJECT closing, and within six (6) months of an execution of this PROJECT commitment. PROJECT construction should follow the construction schedule, including TOWN approved milestones associated with the acquisition, development, and lease-up of the units, and demonstrate progress toward this deadline by reaching milestones on the approved schedule. Due to strict federal and State deadlines, projects that do not reach milestones in a timely manner will be subject to rescission of CDBG-DR MHP funding.
- M. Guarantees/Insurance: The contractor completing the construction work will be required to secure, and provide to the TOWN prior to closing, copies of all Guarantees provided to the equity investors for this PROJECT. This will be accepted in lieu of a Payment and Performance Bond for 100% of the construction contract. In addition, the

contractor must carry adequate liability and hazard insurance for this PROJECT. Evidence of each must be provided to the TOWN of Paradise prior to PROJECT closing.

- N. Cost certification: A third-party cost certification for this PROJECT is required. An independent accountant will be required to conduct a complete audit of the development and construction costs of this PROJECT. This cost certification should include original signatures from the accountant who prepared the forms, the OWNER, and the general contractor for the PROJECT. Receipt of a copy of the cost certification delivered to the California Tax Credit Allocation Committee by TOWN from OWNER shall satisfy the requirements of this section.
- O. Housing Quality Standards: OWNER must maintain the property in a good, safe, attractive, and well-maintained condition, and in compliance with the Housing Quality Standards found at 24 CFR 982.401.
- P. Reporting Requirements: OWNER agrees to supply TOWN with documentation concerning the PROJECT to ensure that TOWN is in compliance with its responsibilities therein regarding source documentation for all costs incurred. OWNER will also supply TOWN with regular reports throughout the development, construction, lease-up and affordability period. OWNER will provide the TOWN with any other needed information, as requested.

During the construction and lease up period, OWNER is to provide the TOWN with sufficient documentation to demonstrate compliance with the prevailing wage and Section 3 requirements described in this AGREEMENT. OWNER acknowledges that the TOWN may withhold funding draw requests to OWNER until such time as OWNER demonstrates compliance with these CDBG-DR MHP provisions and as outlined in the Labor Compliance Manual and Section 3 Manual provided by the TOWN and must be included in every contract and subcontract issued for the project.

During the construction and lease up period, OWNER is to provide the TOWN with copies of all draw requests to other funders, and all necessary documentation pursuant to draw request for CDBG-DR MHP funds, as described in VIA below. Any changes to the plans, specifications, and/or change orders to the construction contract shall be submitted to the TOWN for approval. Once a certificate of occupancy is issued, OWNER shall supply the TOWN with a monthly update on leases for CDBG-DR MHP funded units until 100% occupancy is achieved.

OWNER will be required to collect and report information about the organization(s) responsible for oversight over the development and management of the property, including, but not limited to, an audited annual financial statement for the parent company of the OWNER within two hundred seventy (270) days after the end of the OWNER's fiscal year. The audit must be submitted annually throughout the development of the PROJECT, lease up, and the full CDBG-DR MHP affordability period. The TOWN may, at its sole cost and expense, conduct an audit of the OWNER's books and records maintained for the PROJECT at any time during the term of the affordability period.

Within ninety (90) days after the end of each fiscal year of OWNER, and at any other time upon the TOWN's request, a statement that identifies all owners of any interest in OWNER and the interest held by each, if OWNER is a corporation, all officers and directors of OWNER, and if OWNER is a limited partnership, all partners.

Within ninety (90) days of the end of each fiscal year of OWNER, OWNER will provide to the TOWN a calculation and certification of Surplus Cash for such fiscal year, in form and substance acceptable to the TOWN, and in accordance with the TOWN's requirements.

OWNER is required to collect and report information annually about the uses of funds throughout the full CDBG-DR MHP Period of Affordability of the PROJECT, including, but not limited to:

1. Annual certified rent-roll within ninety (90) days of the PROJECT's fiscal year end and at any other time upon the TOWN's request, including the name of each tenant, the household composition, the space occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any related information requested by the TOWN.
2. Operating budget comparing actual to projected income/expenses prepared by OWNER and property manager ninety (90) days following the PROJECT's fiscal year end.
3. Within ninety (90) days after the end of each fiscal year of OWNER, and at any other time upon the TOWN's request, an accounting of all security deposits held pursuant to all leases, including the name of the institution (if any) and the names and identification numbers of the accounts (if any) in which the security deposits are held and the name of the person to contact at such financial institution, along with any authority or release necessary for the TOWN to access information regarding such accounts.
4. Within ninety (90) days after the end of each fiscal year of OWNER, and at any other time upon the TOWN's request, provide the TOWN with copies of the annual Section 8 (HQS) property inspection report for the PROJECT.
5. On a monthly basis, OWNER to provide the TOWN with the lease status and rental amount for each CDBG-DR MHP assisted property.
6. The OWNER must submit to the TOWN on an annual basis, or more frequently if requested, such marketing and occupancy data as requested by the TOWN.
7. OWNER must maintain as part of its PROJECT records (a) copies of all leases of units in the PROJECT, and (b) all initial and annual income certifications of tenants of the PROJECT. Within ninety (90) days after the end of each calendar year of occupancy of any portion of the PROJECT, OWNER must provide to the TOWN annual reports consisting of certifications regarding the annual and monthly gross and adjusted income of each household occupying a unit at the PROJECT. With respect to households which became occupants of the PROJECT in the prior year, the annual

report must be in a form reasonably approved by the TOWN and must contain such supporting documentation as the TOWN must reasonably require. In addition to the foregoing, OWNER must keep such additional records and prepare and submit to the TOWN such additional reports as the TOWN may reasonably deem necessary to ensure compliance with the requirements of the Affordable Housing Restriction and of the PROGRAM. **Failure to provide initial and annual income certifications to the TOWN may result in the recapture of CDBG-DR MHP funding from the OWNER.**

8. Upon the TOWN's request, a monthly property management report for the PROJECT, showing the number of inquiries made and rental applications received from tenants or prospective tenants and deposits received from tenants and any other information requested by the TOWN; and
9. Such other financial information and schedules as may be requested by the TOWN from time to time pertaining to the PROJECT, in its reasonable discretion.

OWNER acknowledges a continuing obligation to provide promptly to the TOWN any information received or generated by OWNER, which information is relevant to the progress of the PROJECT toward OWNER, including without limitation updated development budgets, updated operating pro forma projections, information relating to sources of funds other than the TOWN, and information relating to building permits and other approvals.

Failure to submit such information and reports can be cause for withholding CDBG-DR MHP funding draws to OWNER or required immediate repayment by OWNER to the TOWN of CDBG-DR MHP funds. The OWNER must perform the obligations set forth above for the duration of the Period of Affordability. OWNER must notify the TOWN of Paradise concerning any material changes in the PROJECT including, but not limited to, a change in property management, organization staffing, any actions or impending actions against the property, changes in ownership, etc.

Each of the statements, schedules and reports required by this section shall be certified to be complete and accurate by an individual having authority to bind OWNER and shall be in such form and contain such detail as the TOWN may reasonably require. The TOWN also may require that any statements, schedules, or reports be audited at OWNER's expense by independent certified public accountants acceptable to the TOWN.

- Q. Record Keeping Requirements: OWNER shall comply with 2 CFR Part 200.333 regarding records that must be maintained for the PROJECT. OWNER shall maintain all PROJECT financial records, including source documentation to support how CDBG-DR MHP funds loaned to OWNER hereunder were expended, which includes, but is not limited to, invoices, schedules containing comparisons of budgeted amounts and actual expenditures, and other documentation as may be required by TOWN or HCD or HUD to support the expenditures for this PROJECT. All necessary records must also be kept as required to meet the above-described reporting requirements.

Any duly authorized representative of the TOWN, State, or HUD, after giving OWNER reasonable notice (minimum 2 weeks), must have access during normal business hours to and the right to inspect, copy, audit and examine all books, records, and other documents of OWNER until the completion of all close-out procedures respecting the use of CDBG-DR MHP Funds and until the final settlement and conclusion of all issues arising out of the use of such CDBG-DR MHP Funds. Additional record keeping requirements shall be set forth in the OWNER documents and shall include any record keeping requirements mandated by CDBG-DR MHP regulations, which shall survive termination of this AGREEMENT.

- R. Monitoring: OWNER will allow on-site monitoring of the PROJECT by TOWN, State, or HUD or an agent on its behalf, at such times as TOWN, State, or HUD deems necessary or required, and TOWN, State, and/or HUD shall have the right, but shall be under no obligation, to conduct any reasonable monitoring to determine compliance with the CDBG-DR MHP Regulatory Agreement and this AGREEMENT, including but not limited to, the right to enter the PROJECT, to inspect the PROJECT, to inspect the books and records kept regarding the PROJECT, and the right to inquire and receive responses from OWNER regarding the PROJECT and its operation at any time that may be required by TOWN or HCD or HUD.

OWNER will pay to TOWN an annual fee of Five Thousand dollars (\$5,000), with a three percent (3%) annual escalator, payable to the TOWN no later than January 1 each year beginning in 2024 for the required CDBG_DR MHP long-term monitoring costs. The fee shall be capped at \$9,030 through 2044 (20 years); no later than 4 months prior to the 2044 fee payment due date, the need for continued monitoring and associated fees shall be reevaluated and adjusted as necessary to cover the TOWN's monitoring costs.

- S. Funding of Operating Deficits: Pursuant to the guaranties provided to the Project tax credit investor, OWNER will be required to fund any annual operating deficits, and in accordance with the OWNER's partnership agreement.
- T. Insurance: OWNER shall be required to procure and maintain any and all insurance deemed necessary by the TOWN, in amounts and coverages required by the TOWN. All said insurance policies, where permitted by law, must name the TOWN as an additional insured or a mortgagee, as appropriate.

OWNER shall maintain for the duration of the AGREEMENT(s), at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by OWNER, its agents, employees, representatives, assigns or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

The TOWN must be listed as additional insured for liability arising out of activities performed by or on behalf of OWNER.

The insurer must indicate on the Certificate of Insurance that it agrees to defend, indemnify, and hold harmless the TOWN, its agents, servants, administrators, and

technical assistance providers from any and all complaints arising out of work or duties to be performed under this AGREEMENT between the TOWN and OWNER.

Prior to PROJECT closing OWNER shall provide the TOWN evidence of insurability for the insurance standards listed below:

1. All insurance required herein shall be issued by companies licensed to do business in California, and which are rated not less than A (excellent), Financial Size Category VII by A.M. Best.
2. Commercial General Liability insurance with commercial general liability form GC 00 01, with limits of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate covering death, bodily injury, and property damage. Coverage must include contractual liability, third party property damage, severability of interest, completed operations coverage maintained for at least three years beyond the date of the contractor's completion of the work, waiver of subrogation, and waiver of "cross claim exclusion between insureds."
3. Business auto liability insurance of at least \$1,000,000 combined single limit, on all owned and non-owned leased and hired automobiles. Coverage must include contractual liability, third party property damage, severability of interest, completed operations coverage maintained for at least three years beyond the date of the contractor's completion of the work, waiver of subrogation, and waiver of "cross claim exclusion between insureds."
4. Umbrella and excess liability policies of at least \$1,000,000 per occurrence and in the aggregate above the underlying General Liability and business auto policies. Coverage must include drop down features, concurrency of effective dates, aggregates in the primary insurance apply in the umbrella insurance, and waiver of subrogation.
5. The Commercial General Liability and business auto policies must name the TOWN of Paradise, California, their employees, officials, agents, consultants, and volunteers as additional insureds. Further these policies must waive subrogation claims against the aforesaid individuals.
6. OWNER shall require its contractors and subcontractors to provide Workers' Compensation Insurance coverage at the statutory limits required by the California Revised Code.
7. Professional Liability coverage: \$1,000,000.00.
8. Builder's Risk and Hazard Insurance: OWNER shall have delivered to the TOWN certificates of Builder's Risk and Hazard Insurance in completed value form with extended coverage in the amount of, at minimum, the full amount of the construction contract.
9. Each policy required herein may not be canceled or materially changed except upon thirty days prior written notice given to: The TOWN of Paradise Town Manager, 5555 Skyway Road, Paradise, CA 95969.

10. Maintenance of the insurance required hereunder is a material element of this AGREEMENT. Material changes of the required coverage or cancelation of the coverage shall constitute a material breach of this AGREEMENT.

Such certificates of insurance shall be issued by a company satisfactory to the TOWN, duly endorsed to show the interest of the TOWN under a standard non-contributing mortgagee clause addressed to the TOWN. OWNER agrees that the TOWN shall have the right to take any action necessary to continue said insurance in full force and effect including, but not limited to, paying premiums. Any funds advanced to continue the policies in full force and effect shall be considered as Draw Requests hereunder and shall bear interest from the date of disbursement at the same rate as other Draw Requests and payment of said funds and interest shall be secured by the Mortgage.

VI. Responsibilities of TOWN

A. Payment:

1. Reduction of Financing Loan: Notwithstanding anything to the contrary contained herein, the TOWN may reduce the principal amounts of the Indebtedness in the event the actual costs incurred by OWNER in the development, and/or construction of the PROJECT were less than the estimated costs for the development, and/or construction of the PROJECT upon which the calculation of the principal amount of the Indebtedness as set forth in the AGREEMENT were based. The principal amounts of the CDBG-DR MHP Loan may be reduced based on the actual PROJECT costs incurred by OWNER, the final amount, terms, and conditions of OWNER's Permanent Loan, if any, and the final amount of any other sources of funds for the PROJECT. If the amount of CDBG-DR MHP Loan proceeds advanced to OWNER prior to completion of the final subsidy layering analysis, exceeds the principal amount of the CDBG-DR MHP Loan supported by the Audit ("Excess Proceeds"), the TOWN may reduce the amount of the final disbursement, and OWNER shall pay the TOWN the amount of any remaining Excess Proceeds in one lump sum payment within thirty (30) days of receiving written notice from the TOWN that the Excess Proceeds are due and payable.

OWNER hereby authorizes the TOWN to pay any and all expenses or other amounts for which OWNER is obligated under this Section from the proceeds of disbursement under the CDBG-DR MHP Loan, and no further authorization for such disbursement and payment shall be required from OWNER or any guarantor, if any. In no event shall the TOWN be obligated to make any such disbursement or payment and OWNER shall in any event remain unconditionally obligated to pay any and all such amounts. All obligations of OWNER under this Section shall be part of the obligations secured by the PROJECT encumbered by the Mortgage and the other Loan Documents.

2. Disbursement of Proceeds during Construction: The CDBG-DR MHP Loan proceeds shall be disbursed to or on behalf of OWNER, during the construction of the PROJECT, limited to not more than one (1) draw per month, based on the following:
 - a. The total eligible construction and development expenditures incurred since the last draw, minus deferred developer fees, 10% retainage, and the final 5% of the CDBG-DR MHP Loan. HCD requires that TOWN withhold as retainage 10% of all CDBG-DR MHP funded Developer payments. No retainage payments shall be released to the Developer or reimbursed to the Subrecipient until receipt and approval by HCD of all required and approved Project closeout documents.
 - b. All eligible expenditures must be supported by invoices or receipts.
 - c. A property inspection report will be periodically performed by a representative of the TOWN and the Draw request must be approved by the Inspector representing the TOWN prior to consideration for payment.
 - d. The total of all draw requests must not exceed the amount of the CDBG-DR MHP Loan.
 - e. The final decision regarding payment of draw requests is at the sole discretion of the TOWN.
 - f. The remaining 5% of the Loan, along with any amounts held back as retainage, shall be released upon receipt by the TOWN of final certificates of occupancy (or their equivalents) for all buildings and units comprising the PROJECT, a final inspection by an agent of the TOWN, upon approval of HCD, and upon compliance with the other conditions to funding set forth in this AGREEMENT.
3. Preconditions for Funding of a Draw Request: Prior to each draw of CDBG-DR MHP Loan proceeds, the following conditions must be satisfied in the TOWN's reasonable discretion.
 - a. OWNER shall have delivered to the TOWN the Draw Request for such disbursement for its approval, and any other certifications provided for herein or as requested by the TOWN in its reasonable discretion.
 - i. The draw requests shall reflect claims for labor and materials completed prior to the submission of an invoice by the contractor, and not for labor and materials rendered thereafter.
 - ii. The draw request shall be accompanied by copies of any and all relevant invoices and receipts, lien waivers, inspection signoffs, change orders, and any other relevant information.
 - iii. The Draw request shall contain the architect or construction manager's determination or confirmation of the percentage of completion of the PROJECT for the purposes of the Draw Request.

- b. There shall be at all times undisbursed loan funds (collectively held by the TOWN) undisbursed senior loan funds and tax credit equity, which are sufficient to complete construction of the PROJECT.
- B. Construction Progress Inspections: The TOWN has the right to review the construction documents and inspect the progress of construction upon the TOWN's request. OWNER must advise the TOWN of all scheduled construction draw request meetings and progress inspections. OWNER agrees to furnish copies of any and all draw requests and supporting documentation submitted to its other funders, lender and/or syndicator during construction, including, but not limited to, applicable wage and fair labor standard compliance laws, requirements, and regulations. OWNER agrees that all change orders in excess of \$75,000 individually or \$250,000 in the aggregate will be submitted to the TOWN for its review and approval prior to the work being completed. If the TOWN does not approve or disapprove the change order request in ten (10) business days, it shall be deemed approved.
- C. Non-Compliance/Recapture Requirements: OWNER may be required to repay all, or a portion of the funds received. The reasons for recapture are the following:
 - 1. OWNER's failure to comply with the terms of this AGREEMENT and such failure continues beyond applicable notice and cure periods.
 - 2. OWNER's withdrawal from the Program prior to completion of the Project and/or failure to meet a National Objective.
 - 3. OWNER's failure to meet the affordability requirements for the period specified in Section IIC above.
 - 4. OWNER's use of program funds for an ineligible activity or cost.
 - 5. OWNER's failure to report the receipt of additional federal mortgage insurance, SBA, FEMA, non-profit assistance and/or any other Duplication of Benefits received after award; and/or,
 - 6. Funds are remaining after the Project is completed, or the expenditure deadline has passed.

The method of recapturing funds and the timeframe for doing so are at the reasonable discretion of the TOWN. However, the recapture method and timeframe will be consistent with 2 CFR part 200.

VII. Terms and Conditions of the AGREEMENT

- A. CDBG-DR MHP Loan Closing Date: The Loan shall close on or before January 24, 2024 (the "Closing Date"). If a Loan has not closed on or before the Closing Date, and construction has not started by the Construction Start Date of April 16, 2024, this AGREEMENT may be terminated by TOWN, in its sole discretion, by written notice to OWNER, in which event TOWN shall no longer have any obligation to make the Loan, and OWNER shall have no further rights under this AGREEMENT.

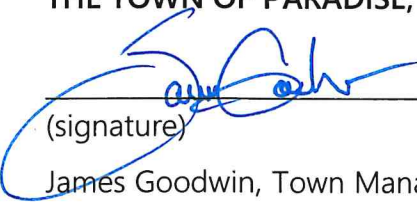
- B. Funding Contingency: Funding for this AGREEMENT is contingent on the availability of funds and continued authorization for PROGRAM activities and is subject to amendment or termination due to lack of funds, or authorization, reduction of funds, and/or change in regulations.
- C. Amendments: The terms and conditions of this Commitment AGREEMENT may be amended only by a written AGREEMENT signed by both the TOWN and OWNER.
- D. Term of this AGREEMENT: The duration of this AGREEMENT must extend through the Period of Affordability for this PROJECT, which will conclude twenty (20) years from the date of 100% lease-up of the CDBG-DR MHP funded units.
- E. Notices: Any notice or similar communication concerning this AGREEMENT shall be in writing and shall be either delivered in person or sent to the other party by certified mail with return receipt requested. Notices shall be sent to the party's respective address as set forth in the preamble to this AGREEMENT or to such other address as either party may hereafter establish by notice given in the manner prescribed in this paragraph. A notice shall be considered given when delivered.
- F. Governing Law and Dispute Resolution: The laws of the State of California shall govern this AGREEMENT. Should a dispute occur regarding any aspect of this AGREEMENT the parties agree to first seek mediation prior to taking legal action.
- G. Breach of AGREEMENT: Failure of OWNER to abide by the terms of this AGREEMENT or to provide information in a timely manner after written notice and an opportunity to cure will be a breach of this AGREEMENT. Remedies for a breach of this AGREEMENT shall include actions taken by the TOWN up to and including the termination of this AGREEMENT and the required return of TOWN CDBG-DR MHP funds.
- H. Termination: TOWN hereby reserves for itself, its successors and assigns, the right to pursue all remedies, either at law or in equity, to enforce the conditions of this AGREEMENT. This right includes, but is not limited to, seeking specific performance of OWNER's obligations. TOWN may also, prior to closing, and in its sole and absolute discretion, declare this AGREEMENT null and void upon an event of default or breach by OWNER of any of OWNER's representations contained in the APPLICATION, or any of the terms and conditions of the PROGRAM or this AGREEMENT, in which event neither OWNER nor TOWN shall have any further rights or obligations under this AGREEMENT, except for such obligations of OWNER that are expressly stated to survive termination hereof.
- I. Force Majeure: Neither party shall be responsible for any failure to comply with, or for any delay in performance of the terms of this AGREEMENT, where such failure or delay arises from: (i) acts of God, (ii) acts of the Government in its sovereign (and not contractual) capacity, (iii) fires, (iv) floods, (v) epidemics, (vi) quarantine restrictions, (vii) strikes, (viii) freight embargoes, (ix) unusually severe weather, or (x) shortages of supplies or materials where such supplies or materials were unobtainable from an alternate source. In all such events where performance is delayed or prevented, the

affected party shall nonetheless exert reasonable and diligent efforts to remove said causes and resume performance hereunder.

- J. Successors and Assigns: OWNER and TOWN each is hereby bound in respect to any covenants, AGREEMENTs, and obligations of this AGREEMENT.
- K. Assumption of liability and Indemnification: Upon execution of this AGREEMENT, OWNER shall agree to indemnify and hold harmless the TOWN and its agents, officers, employees, and contractors from and against all actions, claims, demands, judgments, losses, expense of suits or actions and attorney fees for injuries to, or death of, any person or persons and loss or damage to the property of any person, or persons, whomsoever, including the parties hereto, and their agents, contractors, sub-contractors, officers and employees, arising in connection with or as a direct or indirect result of entering into and performance of this AGREEMENT, except to the extent of any negligence or willful misconduct of any indemnified party in connection with the same. Such assumption shall include liability for all environmental hazards, including toxic waste, lead-based paint, and asbestos. Said OWNER shall pay, settle, compromise, and procure the discharge of any and all claims and all such losses, damages, and expenses to the extent required by this section.
- L. General Provisions: This instrument contains the entire AGREEMENT between the parties. No statement, promises, or inducements made by any party hereto or agent of either party hereto which is not contained in this written AGREEMENT, shall be valid or binding. This AGREEMENT shall not be modified except in writing and signed by both parties.
 - 1. This AGREEMENT and any exhibits attached constitute the sole and entire AGREEMENT between the parties with regard to the subject matter hereof. No party may rely on any representation, which allegedly induced that party to enter into this AGREEMENT, unless the representation is recorded herein.
 - 2. Should any provision of this AGREEMENT be judged by an appropriate court of law as invalid, it shall not affect any of the remaining provisions whatsoever.
 - 3. The failure of the TOWN in any instance to insist upon a strict performance of any term of this AGREEMENT, or to exercise any option hereunder, shall not be constituted as a waiver or relinquishment for the future of such term or option.
 - 4. No party may cede any of its rights or delegate or assign any of its obligations in terms of this AGREEMENT without the prior written consent of the other parties.
 - 5. This AGREEMENT will be invalid unless signed and returned to the TOWN by January 17, 2024. A copy of this AGREEMENT was provided to OWNER for its records. OWNER's acceptance of this commitment is acknowledged by executing this AGREEMENT below and returning the same to:

James Goodwin, Town Manager
The Town of Paradise
5555 Skyway Road
Paradise, CA 95969

THE TOWN OF PARADISE, CALIFORNIA



(signature)

James Goodwin, Town Manager

(Date)

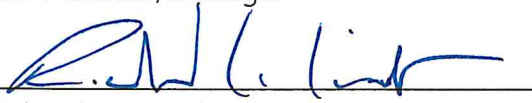
1-12-2024

AGREED AND ACCEPTED:

MERCY HOUSING CALIFORNIA 113, L.P.,
a California limited partnership

By: Mercy Housing California 113 LLC,
a California limited liability company
Its Managing General Partner

By: Mercy Housing Calwest,
a California nonprofit public benefit corporation
Its Sole Member/Manager

By: 
Richard C. Ciraulo
Vice President

Date: 1/12/24

AGREED AND ACCEPTED:

By: Cypress Family Apartments, LLC,
a California limited liability company
Its Administrative General Partner

By: Community Housing Improvement Program, Incorporated,
a California nonprofit public benefit corporation
Its Sole Member/Manager

By: 
Seana O'Shaughnessy,
President and Chief Executive Officer

Date: 1/12/21

Exhibit A
Legal Description of Each Parcel of Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE TOWN OF PARADISE, COUNTY OF BUTTE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Parcel One (PARCEL B-I):

Being a portion of Parcels A and B as described in that certain Grant Deed, recorded under Document Number 1992-0016273, Butte County Official Records, and a portion of Parcel 1 and Lot 1 as shown on that certain Parcel Map, filed for record in Book 115 of Maps at Page 18, Butte County Official Records, and a portion of that real property described in that certain Grant Deed, recorded under Document Number 1992-18005, Butte County Official Records, and being more particularly described as follows:

COMMENCING at the northwesterly corner of said Parcel B;

Thence, along the northerly boundary of said Parcel B, South 80°10'11" East, 93.62 feet to the TRUE POINT OF BEGINNING;

Thence, leaving the northerly boundary of said Parcel B, South 20°56'17" West, 220.80 feet to a point on the westerly extension of the most southerly line of said Parcel A;

Thence, along said most southerly line of said Parcel A, and its westerly and easterly extensions, North 89°44'28" East, 285.63 feet;

Thence, leaving the most southerly line of said Parcel A, and its westerly and easterly extensions, South 177.34 feet; Thence, North 90°00'00" West, 315.72 feet;

Thence, South 0°04'46" West, 284.17 feet;

Thence, South 89°59'27" East, 366.02 feet;

Thence, South 0°02'39" West, 347.65 feet to a point on the southerly line of said Lot 1 as shown on Book 115 of Maps at Page 18, said point bears North 89°41'50" East, 57.03 feet from the southwest corner of said Lot 1;

Thence, along the southerly line of said Lot 1, North 89°41'50" East, 272.80 feet to the southeast corner of said Lot 1; Thence, along the easterly boundary of said Lot 1, North 0°05'31" East, 813.90 feet;

Thence, continuing along the easterly boundary of said Lot 1, North 89°44'23" East, 50.00 feet;

Thence, continuing along the easterly boundary of said Lot 1, North 0°05'54" East, 514.42 feet to the northeast corner of said Lot 1;

Thence, along the north line of said Lot 1, South 89°48'31" West, 354.87 feet to the northwest corner of said Lot 1; Thence, along the westerly boundary of said Lot 1, South 0°03'55" West, 353.82 feet to the northeast corner of said Parcel B described in Document Number 1992-016273;

Thence, leaving the westerly boundary of said Lot 1, along the northerly boundary of said Parcel B, North 80°10'11" West, 229.45 feet to the Point of Beginning.

Further described as Parcel B-I in the Certificate of Lot Merger recorded December 20, 2023 as Document No. 2023-0033102 in the Official Records of Butte County.

Parcel Two (PARCEL B-II):

A 60.00 foot wide, non-exclusive access and public utilities easement over Cypress Lane, as shown on that certain Parcel Map, filed for record on February 28, 1989, in Book 115 of Maps, Page 18, Butte County Official Records.

Parcel Three (PARCEL B-III):

Being a 15 foot wide easement for installation and maintenance of a drain lying 7.5 feet on each side of the following described centerline:

Beginning at the Northwest corner of the Northeast quarter of the Northeast quarter of Section 12 , Township 22 North, Range 3 East, M.D.B. & M., and thence following along the westerly boundary line of said Northeast quarter of the Northeast quarter of said Section 12, South 0° 04' 58" West for 128.26 feet to the TRUE POINT OF BEGINNING for the herein described easement centerline; thence from said true point of beginning, North 84° 09' 02" West for 52.63 feet to join with an underground drain line placed along a natural drain ditch.

Parcel Four (PARCEL B-IV):

A 15 foot wide non-exclusive easement for drainage purposes lying 7.5 feet on each side of the following described centerline:

BEGINNING at the northwest corner of Lot 1, as shown on that certain Parcel Map, recorded in the Office of the Recorder of the County of Butte, State of California, on February 28, 1989, in Book 115 of Maps, at Page(s) 18; thence South 0° 04' 58" East along the westerly boundary of said Lot 1 as shown on said Parcel Map, 161.17 feet to the TRUE POINT OF BEGINNING of the herein described easement centerline; thence North 31°09'36" West, 37.72 feet more or less to a point in the centerline of a 15 foot



easement lying within Parcel 2 as shown on said Parcel Map, and the end of the herein described centerline.

The sidelines of the above-described easement are to be lengthened or shortened to terminate in the westerly boundary of said Lot 1 and the Southerly sideline of said drainage easement as shown on said Parcel Map.

Parcel Five (PARCEL B-V):

A 15 foot wide non-exclusive easement for water meters, water valves and water line purposes lying 7.5 feet on each side of the following described centerline:

BEGINNING at the northwest corner of Lot 1 as shown on that certain map entitled "Boundary Line Modification via Parcel Map for Benjamin Filer", being a portion of the northeast quarter of Section 12, Township 22 North, Range 3 East, M.D.B. & M. filed with the Recorder of Butte County, California, on February 28, 1989 under Book 115 of Maps at Page 18 and the TRUE POINT OF BEGINNING of the herein described easement centerline; thence South 0° 04' 58" West, 455.11 feet along the westerly boundary of said Lot 1, as shown on said Filer Map, to the northerly right of way of Cypress Lane as shown on said Filer Map and the end of the herein described centerline.

The sidelines of the above described easement are to be lengthened or shortened to terminate in the northerly boundary of Parcel 2 and Lot 1 and the northerly right of way of Cypress Lane as shown on said Filer Parcel Map.

Parcel Six:

Non-exclusive easements in favor of the Phase I Owner for the benefit of the Phase I Property, over the Phase II Property, as described in that certain "Declaration Providing For Reciprocal Easements, Joint Use and Maintenance", recorded January _____, 2024, as Recording No. 24-_____, of Official Records.



Exhibit B
Current CDBG-DR MHP Rent Standards at the
Time of the Signing of this AGREEMENT

2023 Maximum rent standards for Chico, CA MSA* (Subtract tenant paid utility allowance to determine maximum actual rents)				
Unit size	1 bedroom	2 bedroom	3 bedroom	4 bedroom
LOW HOME RENT: At least eleven (11) of the sixty-nine (69) CDBG-DR MHP assisted units must be at or below this level.	\$773	\$928	\$1,072	\$1,196
HIGH HOME RENT: Remaining fifty-eight (58) of the sixty-nine (69) CDBG-DR MHP assisted units must be at or below this level.	\$941	\$1,184	\$1,360	\$1,498

*The rent standards above must be reduced if the tenant pays for utilities. This is because the calculation of these rent standards includes all utilities except telephone. Yet, in practice many utilities (water, heat, air conditioning, cooking gas, etc.) are not included in rents. Utility allowances provide a mechanism for adjusting the maximum allowable HOME rents when the tenant pays for some or all utilities.

OWNER must use the HUD Utility Schedule Model (HUSM), or the standards used by the local Housing Authority to calculate tenant paid utilities and include the completed model in their APPLICATION. The model, along with instructions and other related data and information is currently found on the HUD.gov web page. These utility calculations should then be used to adjust the rents.



Exhibit C

CDBG-DR MHP PROGRAM Mandatory Acknowledgement "Lobbying Certification"

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies that to the best of its knowledge and belief.

(1) No federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an office or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Division 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$1,000,000 for each such failure.

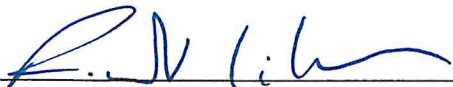


OWNER:

MERCY HOUSING CALIFORNIA 113, L.P.,
a California limited partnership

By: Mercy Housing California 113 LLC,
a California limited liability company
Its Managing General Partner

By: Mercy Housing Calwest,
a California nonprofit public benefit corporation
Its Sole Member/Manager

By: 

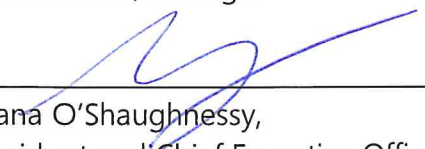
Richard C. Ciraulo
Vice President

Date: 11/12/24



By: Cypress Family Apartments, LLC,
a California limited liability company
Its Administrative General Partner

By: Community Housing Improvement Program, Incorporated,
a California nonprofit public benefit corporation
Its Sole Member/Manager

By: 
Seana O'Shaughnessy,
President and Chief Executive Officer

Date: 1/17/21



Exhibit D

CDBG-DR MHP PROGRAM Mandatory Acknowledgement "Conflict of Interest" Certification

The Town of Paradise is required by HUD to include a Conflict-of-Interest clause to all contracts. Please be aware that these requirements will apply if you are awarded a contract with the Town of Paradise.

The Contractor warrants that its participation in this contract will conform to the requirements of all applicable CDBG-DR MHP regulations including 2 CFR, Part 200, and 24 CFR 570.611, and further warrants that such participation will not result in any organizational conflict of interest. Organizational Conflict of Interest is defined as a situation in which the nature of work under this contract and the Contractor's organizational, financial, contractual, or other interests are such that:

- a. Award of the contract may result in an unfair competitive advantage; or The Contractor's objectivity in performing the contract work may be impaired.
- b. In the event the Contractor has an organizational conflict of interest as defined herein, the Contractor shall disclose such conflict of interest fully in the submission of the proposal and/or during the life of the contract.
- c. The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the Town Manager, which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The Town of Paradise may, however, terminate the contract if it is in the best interest of the Town.
- d. In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Town Manager, the Town of Paradise may terminate the contract for default.
- e. The provisions of this clause shall be included in all subcontracts and consulting Agreements.
- f. No federal, state, or local elected official, nor any employee of The Town of Paradise, nor any corporation owned or controlled by such person, shall be allowed to participate in any share or part of this contract or to realize any benefit from it. This provision shall be construed to extend to this contract if made with a corporation for its general benefit.
- g. No member, officer, or employee of The Town of Paradise, no member of the governing body of The Town of Paradise or any other local government and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the PROJECT, shall, during his or her tenure, or for



one (1) year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

- h. The Town of Paradise reserves discretion to determine the proper treatment of any conflict of interest disclosed under this provision.

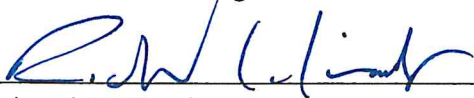


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Richard C. Ciraulo
Vice President

Date: 1/12/24



By: Cypress Family Apartments, LLC,
a California limited liability company
Its Administrative General Partner

By: Community Housing Improvement Program, Incorporated,
a California nonprofit public benefit corporation
Its Sole Member/Manager

By: _____
Seana O'Shaughnessy,
President and Chief Executive Officer

Date: 1/12/29



Exhibit E

Tenant Selection Plan

Cypress Family Apartments Marketing & Tenant Selection Plan

Cypress Family Apartments, managed by Community Housing Improvement Program (CHIP), houses persons without regard to race, color, religion, disability, familial status, national origin, or sex (including sexual orientation or gender identity). It is a 70-unit property, with one of those units designated as a Manager's Unit. Funding programs are Low-Income Housing Tax Credits (LIHTC), Community Development Block Grant- Disaster Recovery (CDBG-DR), which follows the guidelines of the Federal HOME program, and Project-Based Section 8 vouchers. The guidelines below are to determine eligibility for the apartment community. Final approval will be subject to all verified material. This Tenant Selection Plan shall be available to prospective tenants upon request.

Marketing

Marketing for Cypress Family Apartments will include a variety of strategies, as described in the property's Affirmative Fair Housing Marketing Plan (AFHMP). These strategies include outreach to community organizations, local jurisdictions and churches that work directly with households in need of affordable housing, as well as advertising via traditional media (print, radio, and television) and social media. In addition, we will place banners at the construction site.

A marketing flyer will be created to describe the development, eligibility criteria, rents, how to apply, the application deadline, and a statement that Reasonable Accommodations for persons with disabilities can be requested at any time before or during the application process. We will also develop advertisements and press releases that include the same information. Marketing materials will include a phone number and email that applicants can contact to receive an application. Once the application period begins, the phone will be staffed, and voicemail checked daily to respond to inquiries in a timely manner. Outreach materials will be translated into other languages as required for communities with Limited English Proficiency.

1. Project Eligibility:

- The head of household must be 18 years of age or older or a legally emancipated minor.
- Student Status: Both HUD regulations and Section 42 of the IRS Code (which governs LIHTC properties) require that households comprised entirely of full-time students meet certain requirements for the household to be eligible for a Project Based Voucher and/or live in a housing unit funded by Low-Income Housing Tax Credits. HACB will screen for eligibility under the HUD rules and CHIP will screen for eligibility under the LIHTC rules, as outlined in the California Tax Credit Allocation Committee's Compliance Manual.



Cypress Family Apartments Marketing & Tenant Selection Plan

- For those with Project-Based Section 8 vouchers only:
 - HUD requires applicants to complete citizenship declaration forms and submit evidence of citizenship or eligible immigration status at the time of application. At least one household member must have eligible immigration status to receive subsidy. Members without eligible status may reside in a HUD-funded unit, however, subsidy will only be provided for those with eligible status.
 - All household members must disclose and document their Social Security number (SSN). Those who have not been assigned an SSN must sign a certification stating that no SSN has been assigned. Documentation of the SSN must be provided once an SSN has been assigned.
 - An applicant family must also meet HUD requirements related to current or past criminal activity. This eligibility screening is conducted by HACB in accordance with Chapter 3 Part III of their Administrative Plan.

2. Income Limits:

- The unit mix and Area Median Income (AMI) targeting at the property is as follows:

Unit Size	30%	40%	50%	60%	Manager Unit	TOTAL
1 BR	4	3	10	7		24
2 BR	4	4	10	9		27
3 BR	3	2	7	6	1	19
TOTAL	11	9	27	22	1	70

- The maximum income limits for the property are either 30%, 40% 50%, or 60% of AMI income for the corresponding household size. Total household income at the time of application may not exceed the applicable AMI percentage.
- The minimum income requirement is a monthly household income that is at least two times the monthly rent for the applicable unit. For households with a Section 8 voucher, the minimum income requirement does not apply.
- Twenty-five (25) units will receive Project-Based Section 8. Those units are bound by HUD income limits and income restrictions. A resident must meet income guidelines based on household size for Butte County at the appropriate date as set forth by HUD. HUD updates income limits annually.



Cypress Family Apartments Marketing & Tenant Selection Plan

3. Procedures for Accepting Applications and Selecting from the Waiting List

A. For units with Project-Based Section 8 Vouchers:

- For the units at Cypress Family Apartments with Project-Based Vouchers (PBV) administered by the Housing Authority of the County of Butte (HACB), an applicant must submit a completed application to HACB to be placed on the waitlist and considered for residency.
- Once received, an application will be evaluated; any application meeting the requirements as stated in the **Project Eligibility** and **Income Limits** sections above will be placed on the waiting list. Any application not meeting these requirements will be rejected and not placed on the waiting list.
- If an applicant is rejected, the applicant will receive written notification. The applicant shall have fourteen (14) days from the date of the letter to respond in writing or to request a meeting to discuss the rejection. Responses due to rejection by HACB may be directed to HACB, 2039 Forest Ave. Chico, CA 95928.
- One's place on the waiting list is determined by the date on which all application materials are received at the office; however, acceptance to the waiting list does not automatically guarantee eligibility for an apartment. Further screening as described in the applicant screening criteria section below will be completed at the time an apartment is available. Apartments are rented to eligible households in the order in which complete application materials are received.
- When selecting households to occupy units that have special accessibility features for persons with disabilities, HACB must first refer families who require such features to the owner.
- HUD requires that at least seventy-five (75%) percent of the families admitted to the PHA's project-based voucher program during the PHA fiscal year from the waiting list must be extremely low-income households (30% of the Area Median Income or below). The income-targeting requirement applies to the total of admissions. In keeping with HUD's income targeting policies, applicants to the Cypress Family Apartments waiting list whose incomes are at or below the Extremely Low-income limit may receive preference over another applicant in a higher position on the waitlist when a unit becomes available.
- Once a household is determined to be eligible for a Project-Based Section 8 Voucher by HACB according to HUD criteria, the household will be referred to a CHIP leasing agent to determine eligibility, as described in Section 4 below.

B. For units without Project-Based Section 8 Vouchers:

- For the units at Cypress Family Apartments without Project-Based Vouchers (PBV) an applicant must submit a completed application to CHIP's leasing office to be placed on the waitlist and considered for residency.
- Completed applications will be processed according to date and time received at the



Cypress Family Apartments Marketing & Tenant Selection Plan

leasing office (during office hours). If an application is mailed or dropped off outside of office hours, it will be recorded as received the next time the office is open.

- Once received, an application will be evaluated. Any application meeting the requirements as stated in the **Project Eligibility** and **Income Limits** sections above will be placed on the waiting list. Any application not meeting these requirements will be rejected and not placed on the waiting list.
- One's place on the waiting list is determined by the date on which a completed application is received at the leasing office. However, acceptance to the waiting list does not automatically guarantee eligibility for an apartment. Further screening as described in the applicant screening criteria section below will be completed at the time an apartment is available. Apartments are rented to eligible households in the order in which complete application materials are received.
- When selecting households to occupy units that have special accessibility features for persons with disabilities, CHIP must prioritize households in need of these special accessibility features.

4. Applicant Screening Criteria (Cypress Family Apartments Management/ CHIP)

- The CHIP Leasing Agent shall be responsible for receipt and custody of all applications.
- Before the Leasing Agent may process an application, it must be complete. Incomplete applications **will not** be processed.
- The Leasing Agent shall process each application per regulations, laws, and established procedures. A unit shall be rented to a household if the application processing uncovers no valid grounds for rejection based on established criteria, or if a household successfully appeals a rejection.
- In processing an application, the Leasing Agent shall verify income, assets, and student status in accordance with the requirements of the LIHTC and CDBG-DR/HOME funding programs. Applicants must also meet the requirements for housing history, credit history, and criminal screening.

Housing History

- Each adult household member must provide evidence of a positive housing history for the previous two (2) years, as documented via Landlord Verification(s). Positive housing history is defined as:
 - No more than (3) three late pays in a (12) twelve-month period
 - No outstanding debt to a previous landlord
 - No evictions (exceptions may include no outstanding balance and a positive rental reference is given by the evicting landlord or all debt is paid, and a positive rental history has been established for the last two years.)
 - No substantial violations of the lease/rental agreement including but not limited to: interference with the use, possession, or quiet enjoyment of their unit by other tenants of the property; adversely affecting the



Cypress Family Apartments Marketing & Tenant Selection Plan

health and safety of any person; interference with the management, maintenance; operation of the property; failure/refusal to pay rent or other charges in a timely manner or failure to maintain the unit in a safe/sanitary condition to include poor housekeeping habits.

- If an applicant is unable to provide positive housing history/ Landlord Verification(s) due to homelessness, (2) two Character References from reputable sources may be provided instead.

Credit History

- Each adult household member must have an acceptable credit history. Acceptable credit history will be defined as:
 - No Credit
 - No more than seven (7) “collection” or “charge-off” accounts within the past five (5) years (excluding medical and student loans)
 - No current utility (gas / electric) collection accounts
 - A bankruptcy within the last (3) three years may be acceptable if there are no more than two (2) “collections” or “charge-off accounts since bankruptcy.

Criminal/Eviction Screening: The following circumstances may be grounds for rejection of an application:

- Felony or misdemeanor history related to any household member's eviction from any form of housing for drug related activity in the past three years. However, there are two exceptions to this provision: (1) The evicted household has successfully completed an approved, supervised rehabilitation program; or (2) The circumstances leading to the eviction no longer exist (i.e., the household member no longer resides with the applicant household and will not plan on moving into the household's residence in the future.)
- Any household member currently engaging in illegal drug use, or for which the illegal use of a drug may interfere with the health, safety, and right to peaceful enjoyment of the property by other residents.
- Any household member subject to a lifetime sex offender registration program;
- If there is reasonable cause to believe that a household member's behavior may interfere with the health, safety, and right to peaceful enjoyment by other residents.
- Any household member currently engaging in or having engaged in

Cypress Family Apartments Marketing & Tenant Selection Plan

violent criminal activity or other criminal activity that would threaten the health, safety, or right to peaceful quiet enjoyment of the premises by other residents, or of the site's employees, contractors, or agents.

- Felony or misdemeanor history in the past seven (7) years relating to other criminal activity that threatens the health, safety, and the right to peaceful enjoyment of the property by the residents or the health and safety of the owner, employees, contractors, subcontractors, or agents of the owner.

Other allowable screening criteria:

- During the application process, all applicants must conduct themselves in a manner which does not threaten the health and safety of leasing agents or other staff.
- Once a household has been deemed eligible according to all the above criteria, the Leasing Agent will then send the application to a Compliance staff member or consultant for review. The Compliance staff/consultant shall review the Leasing Agent's decisions to ensure that established criteria and guidelines for tenant selection are being appropriately carried out. Final approval must be granted by Compliance staff or consultant.
- The Leasing Agent shall reject the application of a household if: 1) the application is incomplete, 2) any data on the application has been falsified, 3) the household fails to respond in a timely manner to any request for information, 4) the household fails to execute the lease or other documents or to pay sums due for rent or security deposit, or 5) investigation of the household background discloses an income level, rental reference or a credit history that does not meet the standards established for the property.

Procedures for rejecting ineligible applicants:

- Once the applicant screening process has been completed and all materials have been evaluated, any application not meeting the above requirements will be rejected.
- If an applicant is rejected, the Leasing Agent shall provide a written notice of determination citing the reason for rejection and the procedure to appeal that determination (the Grievance and Appeal Procedure).
- The applicant shall have ten (10) business days from the date of the letter to request an informal hearing to review the appeal.
- Responses due to rejection by Cypress Family Apartments management may be directed to Compliance Officer, Cypress Family Apartments, 1001 Willow Street Chico, CA 95928.



Cypress Family Apartments Marketing & Tenant Selection Plan

5. Occupancy Standards

Management shall use the following occupancy standards regarding household and apartment size in the renting of all units:

Unit Size	Number of Persons in Household	
	Minimum	Maximum
1 BR	1	3
2 BR	2	5
3 BR	4	7

Live-In Aides: Consideration will be given to households that are disabled and request a live-in aide, as long as the aide: 1) is determined to be essential to the care and well-being of the household member with the request; 2) has no obligation to financially support the household member; and 3) would not be living in the unit except to provide the necessary supportive services. Management must verify the need for the live-in aide from the person's physician, psychiatrist or other medical practitioner or health care provider. The Live-In Aide Request for Verification form must be completed by the household, as required by the California Tax Credit Allocation Committee. A live-in aide is counted for purposes of occupancy limits. However, the income of a live-in aide is excluded from annual household income.

6. Unit Transfer Policies

Vacant units shall be offered first to any existing tenant who qualifies for and has good cause to move into the vacant unit. Good cause shall consist of:

- A verified medical condition requiring the move, as documented in a Request for Reasonable Accommodation;
- A household member who may request a transfer under the provisions of the Violence Against Women Act (VAWA);
- A change in household size or composition that makes the tenant household too large to too small for its current unit; or
- Another circumstance that may justify a unit transfer, as approved by the Regional Manager.

Residents may be required to transfer between unit sizes in the event the household composition increases or decreases. Transfer requests will be placed on an in-house waiting list, in order of the date they are received. In-house transfers have priority in regard to apartment availability. All unit transfers requests must be done in writing. All transfers for those with Project-Based Section 8 voucher are subject to approval by HACB.

Cypress Family Apartments Marketing & Tenant Selection Plan

7. Assignment of Accessible Units

- Cypress Family Apartments has eighteen (18) accessible units to accommodate persons with disabilities. Eleven (11) are designed to accommodate mobility-related disabilities and are wheelchair accessible, seven (7) are designed for persons with hearing impairment and/or visual impairment (units have features for both needs). These units will be offered to residents and applicants who require accessible features due to a disability. Vacant accessible units will first be offered to any current residents who have requested a transfer as a Reasonable Accommodation.
- In addition to the 18 accessible units, all ground floor units will be adaptable to persons with mobility disabilities and on an accessible route. All common amenities will be on an accessible route.
- If there are no current tenants who require an accessible unit, the Leasing Agent will access the waitlist to identify the next applicant that requires the features of the accessible unit. This may mean skipping other applicants to find a qualifying household. Any applications skipped on the waiting list due to the next available unit being an accessible unit will not lose their position and will remain on the list. If there are no current applicants on the waiting list who have requested an accessible unit, leasing staff will reach out to community contacts and advertise the vacancy.
- If, after 14 days, no applicants have requested an accessible unit, Cypress Family Apartments management will process an application for the next otherwise-qualified applicant from the waiting list. To minimize unit vacancy, this application may begin to be processed while we are waiting for outside referrals for the accessible unit. The household moving into the accessible unit will be required to sign the lease addendum "Occupancy of an Accessible Unit by a Non-Disabled Person." This addendum requires the household to transfer to a non-accessible unit when one is available if a current tenant or applicant requires the features of the accessible unit. If at the time the household is notified of their requirement to transfer, they now qualify for an accessible unit, they may stay in the accessible unit. If they do not require the features of the accessible unit, they will be given a 30-day notice of transfer to another vacant unit at Cypress Family Apartments within the occupancy requirements.

8. Policies to comply with Section 504 of the Rehabilitation Act of 1973 and Fair Housing Act Amendments of 1988.

Section 504 prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance.

A reasonable accommodation as defined by the Fair Housing Act is any accommodation by management in rules, policies (including acceptance of



Cypress Family Apartments Marketing & Tenant Selection Plan

assistance animals as an exception to a "no pets" rule), and practices of services to give a person with a disability an equal opportunity to use and enjoy a dwelling unit or common space. At the time of application, the Leasing Agent will provide a copy of CHIP's Reasonable Accommodation policy and procedure and forms to every applicant household. It is then the applicant household's responsibility to inform management of any situation where a reasonable accommodation is needed.

Reasonable accommodations should be submitted in writing. If unable to provide the request in writing, please notify management. Reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities may be approved and funded by the project unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens.

The Fair Housing Act Amendment of 1988 prohibits discrimination on the basis of race, color, religion, gender, national origin, disability or familial status. Management does not discriminate on the basis of disability status in the admission or access to, or treatment or employment in, its federally assisted programs or activities.

The site plans identify the following locations for accessible units:

Buildings B1, B2, C2, C3 (each):	One 1 BR Mobility Accessible Unit One 1 BR VI/HI Unit One 2 BR Mobility Accessible Unit
Building C1:	One 1 BR Mobility Accessible Unit One 1 BR VI/HI Unit
Buildings D2 & D3 (each):	One 3 BR Mobility Accessible Unit One 3 BR VI/HI Unit

If you feel you have been discriminated against because of race, color, religion, national origin, familial status, sex, disability, or any other protected class, please contact the 504 Coordinator for CHIP, Nicole Powers at (530) 891-6931, TTY (530) 896-2261, npowers@chiphousing.org or 1001 Willow Street, Chico, CA 95928.

You may also contact the Office of Fair Housing and Equal Opportunity at (800) 669- 977 or TTY (800) 927-9275.



Cypress Family Apartments Marketing & Tenant Selection Plan

9. Violence Against Women Act (VAWA)

The Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.

At the time of application, the Leasing Agent will provide the *Notice of Occupancy Rights of the Violence Against Women Act (VAWA)* to each applicant, along with a HUD-approved certification form to explain your rights under this Act and the manner in which these rights may be invoked.

10. Policy and procedure for opening, maintaining and closing the waiting list

- The waiting list will remain open until a ratio of 4 applications per number of apartments of a particular size is reached.
- To ensure that the waiting list remains current, on-site management will be responsible for updating the waiting list once per year by sending a letter to all applicants on the waiting list asking that they reaffirm their continued interest in remaining on the list.
- If it is determined that the waiting list should be closed for apartments of a particular size, on-site management shall inform CHIP's marketing and communications staff so updates can be made on the organization's website and social media pages. In addition, on-site staff shall inform the receptionist at CHIP's main office so that the CHIP Rental Properties list that is sent to current apartment seekers can be updated and kept current.
- On-site management shall post a sign outside the leasing office on the property to inform applicants who may pick up applications outside of office hours which waiting lists for which unit sizes are currently open or closed.
- At the time of re-opening the waiting list, on-site management will inform CHIP's marketing and communications and main office staff so appropriate updates can be made as described above. In addition, on-site management will conduct marketing and outreach activities in accordance with the property's Affirmative Fair Housing Marketing Plan (AFHMP) to reach potential applicants.

11. Security Deposit Requirements

- A Security Deposit amount will be established for each unit size at the time of the initial property lease-up and will be due and payable on the day of move-in. If the security deposit cannot be made in full at the time of move-in, a minimum of one-third of the deposit will be required and a



Cypress Family Apartments Marketing & Tenant Selection Plan

payment agreement can be made for the remaining amount. The length of the payment agreement for the remainder of the security deposit may not exceed three months.

- If it is determined in subsequent years that the amount of the Security Deposit must be increased to cover increased costs, the new Security Deposit amount will be applied to new move-ins as of that date. Existing tenants will not be required to pay the increase to bring their Security Deposit up to the new amount.





Exhibit F Appraisal



CYPRESS PHASE I & II

1620 Cypress Lane
Paradise, California 95969

APPRAISAL REPORT

Date of Report: May 2, 2022

Colliers File #: SMF220445



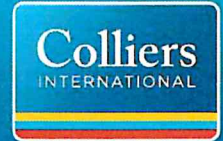
PREPARED FOR
Seana O'Shaughnessy
President/CEO
Community Housing Improvement Program
1001 Willow Street
Chico, CA 95928

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
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May 2, 2022

Seana O'Shaughnessy
President/CEO
Community Housing Improvement Program
1001 Willow Street
Chico, CA 95928

RE: Cypress Phase I & II
1620 Cypress Lane
Paradise, California 95969

Colliers File #: SMF220445

Seana O'Shaughnessy:

This appraisal report satisfies the scope of work and requirements agreed upon by Community Housing Improvement Program and Colliers International Valuation & Advisory Services. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). My appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The subject is a Land (Multi-Family Land) property, a 23.97-acre site at 1620 Cypress Lane in Paradise, California. This property includes a large reusable septic system leach field from a prior project destroyed by fire.

This property is pending sale as part of two separate transactions, one is for two parcels that comprise a 4.7-acre portion, and the other consists of five parcels that comprise the other 19.27-acres. The 4.7-acre portion is pending sale for \$450,000 or about \$95,000 per acre. The larger site is pending sale for \$2,500,000 or about \$129,500 per acre. The buyer is a nonprofit organization seeking to construct an affordable housing project. They have searched for the previous 3 years for a site large enough to accommodate their project, and have reportedly made offers as high as \$280,000 per acre. The owner of the 19.27-acre portion of this acquisition was approached directly and expressed interest in a sale. The owner of the other 4.7-acres offered them for sale upon learning of the larger pending transaction.

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest. The following table conveys the final opinion of market value of the subject property that is developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Fee Simple	April 8, 2022	\$2,770,000
OTHER CONCLUSIONS		AS OF APRIL 8, 2022	
Paradise Investment Property	19.27 Acres		\$2,300,000
California Vocations Property	4.7 Acres		\$470,000

Larger sites typically transfer for less on a per acre basis than smaller sites. In this case, there are very few sites over 5 acres, and fewer that are available for sale, while there are a considerable number of available sites smaller than 5 acres. In addition, some large parcel owners are still awaiting Camp Fire legal settlements from PG&E before deciding to develop or sell, and proximity to a proposed sewer district appears to be weighing heavily on values. Consequently, sale prices vary widely.

Based on my analysis, the total purchase price appears to be just above market value.

The Camp Fire – The Camp fire, which occurred in November 2018, was one of the deadliest and most destructive wildfires in the history of California. The fire caused at least 85 civilian fatalities and covered an area of 153,336 acres. The towns of Paradise and Concow were nearly destroyed with approximately 95% of all structures demolished. This has had a significant influence on the market and has caused uncertainty for the region regarding economic and population growth in the area. The most notable physical weakness of the subject is its challenging Paradise location. The community is slowly rebuilding from the Camp Fire, but it has yet to achieve a critical mass of households or employers to trigger rapid commercial development. Yet, there is reportedly a strong response from people seeking to return to Paradise.

Paradise is planning a sewer treatment district. Parcels within this district are selling for more than those outside its boundaries. The subject's parcels are about 1,500 feet outside of the service district boundaries. This adds to the cost of developing a larger parcel due to the need for a large septic system leach field and reserve leach field. Yet, this increases the price developers are willing to pay for larger sites since they anticipate the economies of scale in building a larger project will more than offset the additional site acquisition cost.

The **COVID-19** virus (aka coronavirus) is a serious illness that has spread throughout the world and the United States. The economic effects have included volatility in the stock market and the capital markets. This has curbed real estate demand and diminished real estate values in some sectors; particularly, general retail, sit down restaurants, and lodging. Groceries, pharmacies, online retailers, multifamily and industrial sectors have largely avoided any downturn. Leasing and sales activity had slowed regionally for all property types, and the consensus is that market activity resumed as of 4Q 2020. Hence, I will not be applying a Covid-19 market conditions adjustment.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards and the appraisal guidelines of Community Housing Improvement Program.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. USPAP defines an Extraordinary Assumption as, "an assumption, directly related

to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

EXTRAORDINARY ASSUMPTIONS

A portion of the site still has some asphalt paving in place. The proposed project map shows nearly all of this area being put to an alternative use. For my analysis, I assume this paving provides no contributory value and its demolition will be included in the proposed construction. A change to this assumption could affect the assignment results.

There is a large septic system leach field that can be reused by the proposed project. Northstar Engineering, of Chico, reported the value of this system at \$200,000, which I assume is correct. A change to this assumption could affect the assignment results.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that my consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at my sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signature below indicates my assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**



Robert Milbrodt
Senior Valuation Specialist
Certified General Real Estate Appraiser
State of California License #AG 042814
+1 916 724 5503
robert.milbrodt@colliers.com

REPORT ORGANIZATION**PROPERTY AND ASSIGNMENT OVERVIEW**

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CERTIFICATION OF APPRAISAL**ASSUMPTIONS & LIMITING CONDITIONS****ADDENDA**

Engagement Letter
Legal Description
Valuation Glossary
Qualifications of Appraisers
Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	Cypress Phase I & II
Property Type	Land - Multi-Family Land
Address	1620 Cypress Lane
City	Paradise
State	California
Zip Code	95969
County	Butte
Core Based Statistical Area (CBSA)	Chico
Market	Butte County
Submarket	Paradise
Latitude	39.783017
Longitude	-121.584938
Number Of Parcels	7
Assessor Parcels	050-140-050, 050-140-053, 050-140-151, 050-140-155, 050-140-160, 050-140-161, 050-140-162
Total Taxable Value	\$864,879
Census Tract Number	19.00

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	23.97	1,044,134
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	23.97	1,044,134
Topography	Generally Level at street grade	
Shape	Irregular	
Access	Average	
Exposure	Average	
Current Zoning	Community Service (CS)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Moderate Risk	

HIGHEST & BEST USE

As Vacant	Development Of A Commercial Project As Market Conditions Warrant
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EXPOSURE TIME & MARKETING PERIOD

Exposure Time	9 to 12 Months
Marketing Period	9 to 12 Months

VALUATION SUMMARY

VALUATION INDICES	AS-IS MARKET VALUE
INTEREST APPRAISED	FEE SIMPLE
DATE OF VALUE	APRIL 8, 2022

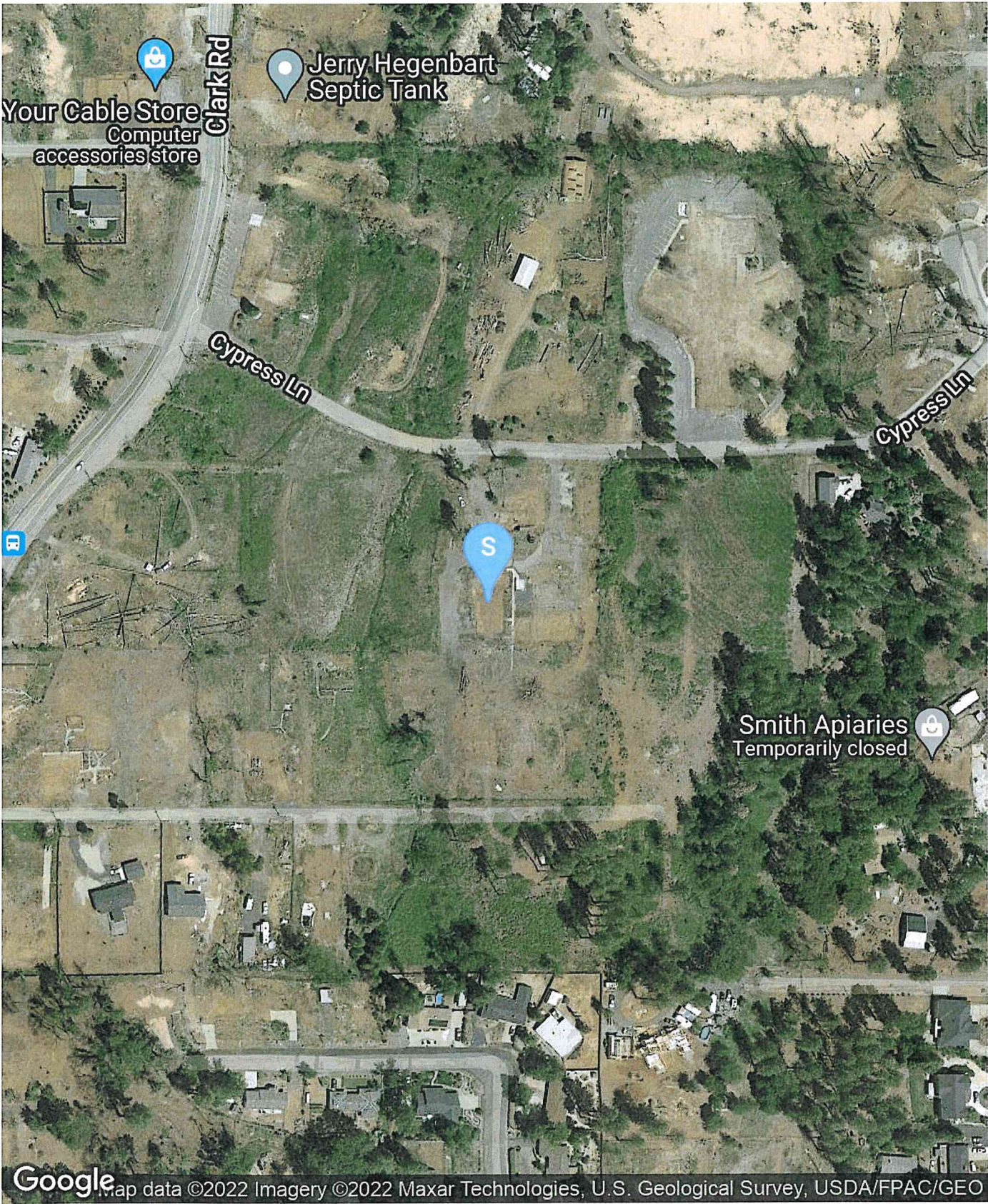
FINAL VALUE CONCLUSION

FINAL VALUE	\$2,770,000
Value/Acre	\$122,000

LAND VALUATION

LAND VALUE	\$2,770,000
Value/Acre	\$122,000
Paradise Investment Property	\$2,300,000
Value/Acre 19.27 Acres	\$119,357
California Vocations Property	\$470,000
Value/Acre 4.7 Acres	\$100,000

AERIAL PHOTOGRAPH



SUBJECT PHOTOGRAPHS



VIEW FROM CLARK RD



VIEW SOUTH ALONG CLARK RD



VIEW NORTH ALONG CLARK RD



VIEW ACROSS SUBJECT NEAR CLARK RD



VIEW ACROSS CENTER OF SUBJECT



SOUTHEAST PORTION OF SUBJECT



VIEW WEST ALONG CYPRESS LN



VIEW EAST ALONG CYPRESS LN



NORTHEAST PORTION OF SUBJECT



NORTHEAST PORTION OF SUBJECT

PROPERTY IDENTIFICATION

The subject is a Land (Multi-Family Land) property, a 23.97-acre site at 1620 Cypress Lane in Paradise, Butte County, California. The assessor's parcel numbers are: 050-140-050, 050-140-053, 050-140-151, 050-140-155, 050-140-160, 050-140-161, 050-140-162.

The legal description of the subject property is presented in the Addenda.

SCOPE OF WORK

The scope of work for this appraisal assignment is outlined below:

- The appraiser analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends.
- The appraiser confirmed and analyzed legal and physical features of the subject, and how they influence the functionality and overall competitive position of the property.
- The appraiser completed residential and multifamily supply/demand market analysis of the Butte County market and Paradise sub-market. Conclusions were drawn regarding the subject property's competitive

position given its physical and locational characteristics, the prevailing economic conditions and external influences.

- The appraiser conducted Highest and Best Use analysis and conclusions were drawn for the highest and best use of the subject property As-Vacant and As-Improved.
- The appraiser confirmed and analyzed financial features of the subject property. This information, as well as trends established by confirmed market indicators, was used to forecast performance of the subject property.
- Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. This appraisal developed the Sales Comparison. approaches to value, which were adjusted and reconciled as appropriate.
- Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- I understand the Competency Rule of USPAP and the author of this report meets the standards.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Butte County Tax Assessor
Zoning Information	City of Paradise Zoning Code
Site Size Information	Butte County Tax Assessor
New Construction	City of Paradise / Butte County
Flood Map	RealQuest
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Legal Description	Grant Deed from RealQuest
Other Property Data	Butte County Property Records

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Robert Milbrodt	Yes	Site Only	April 8, 2022

CLIENT IDENTIFICATION

The client of this assignment is Community Housing Improvement Program.

PURPOSE

The purpose of this appraisal is to develop an opinion of the As-Is Market Value of the subject property's fee simple interest.

INTENDED USE

The intended use of this appraisal is to assist the client with a potential loan that would be collateralized by this asset.

INTENDED USERS

Intended users of this report include Community Housing Improvement Program, Town of Paradise and California Department of Housing and Community Development. Use of this report by Third-Parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	May 2, 2022
Date of Inspection	April 8, 2022
Valuation Date - As-Is	April 8, 2022

PERSONAL OR INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY**Current Owner**

There are two separate ownerships. One is for two parcels that comprise 4.70-acres that are recorded in the name of California Vocations, Inc. which acquired the parcels as land in July 1988 for an undisclosed amount as recorded document 24502 of the Butte County deed records.

The other is for five parcels that comprise 19.27-acres that are recorded in the name of Paradise Investment Group, LLC which acquired title to the property on December 24, 1998 as improved for \$2,625,000, as recorded in Document 55330 of the Butte County Deed Records. These parcels are now vacant land due to destruction of all improvements by the Camp Fire.

Three-Year Sales History

Research of the applicable public records and private data services revealed that the subject has not changed ownership in the past three years.

Subject Sale Status

According to the property contact and the provided purchase agreements, the subject is pending sale. The 4.70-acre component is pending sale for \$450,000 or about \$95,000 per acre. My concluded value for this component is \$470,000 or about \$100,000 per acre.

The 19.27-acre component is pending sale for \$2,500,000 or about \$129,500 per acre. My concluded value for this component is \$2,230,000 or about \$115,000 per acre.

Together, the subject is pending sale for \$2,950,000 versus my value conclusion of \$2,700,000. Based on the analysis in this report, the total purchase price appears to be just above market value.

The buyer searched for the previous three years for a site large enough to support their project. They had brokers directly contacting property owners, with the understanding that similar sites would require at least \$100,000 per acre to be successful. Yet, they submitted letters of intent to purchase two other sites, one for 6 acres and one for 8 acres. Neither property was listed and both offers were declined, one offer was reportedly for \$280,000 per acre and the other for \$150,000 per acre. The listing in this report was not available at the time, and its distance from the proposed sewer district and its topography make it less appealing.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the definition of Market Value is applicable. The definition of Market Value, along with all other applicable definitions for this assignment, is located in the Valuation Glossary section of the Addenda.

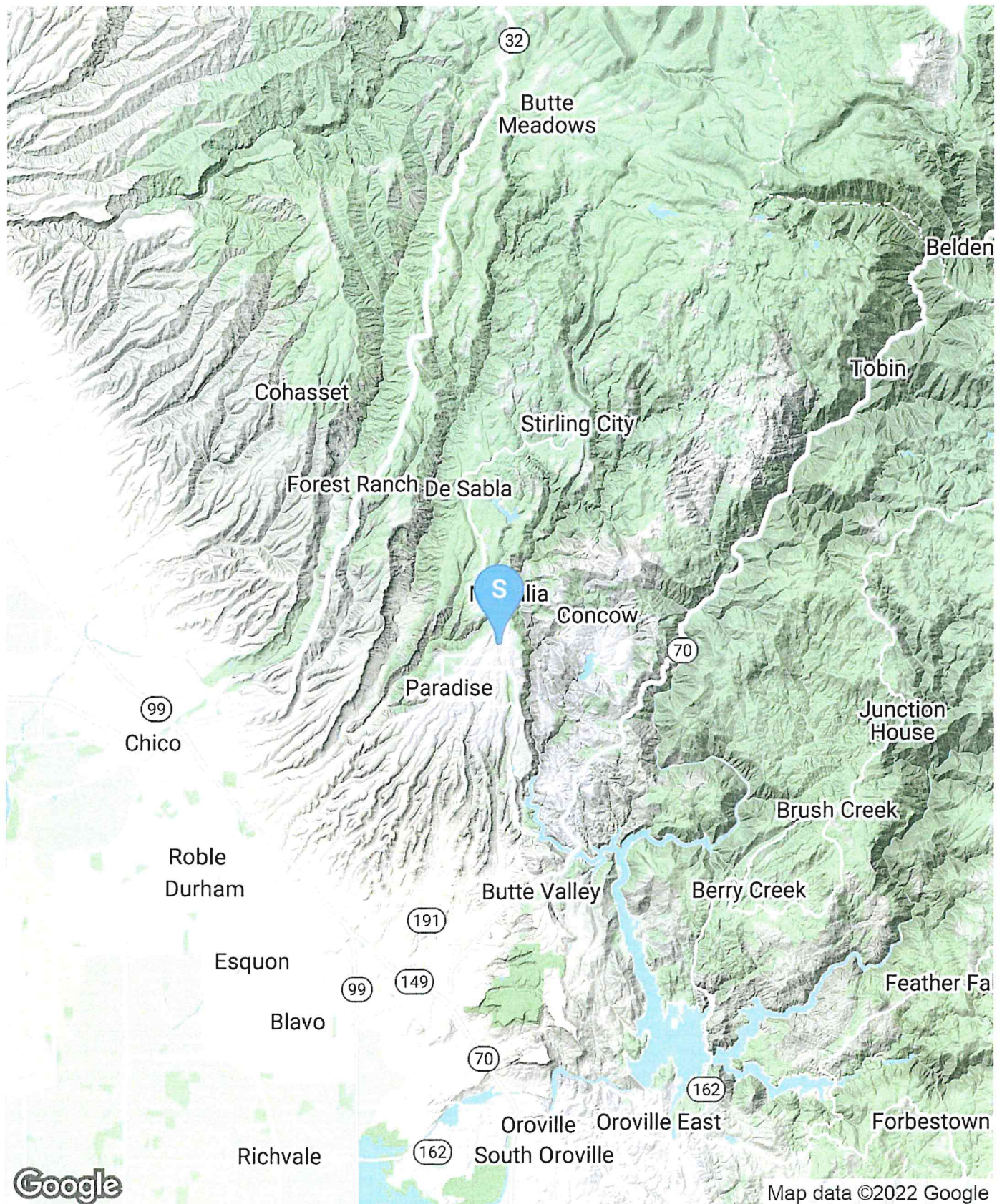
PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

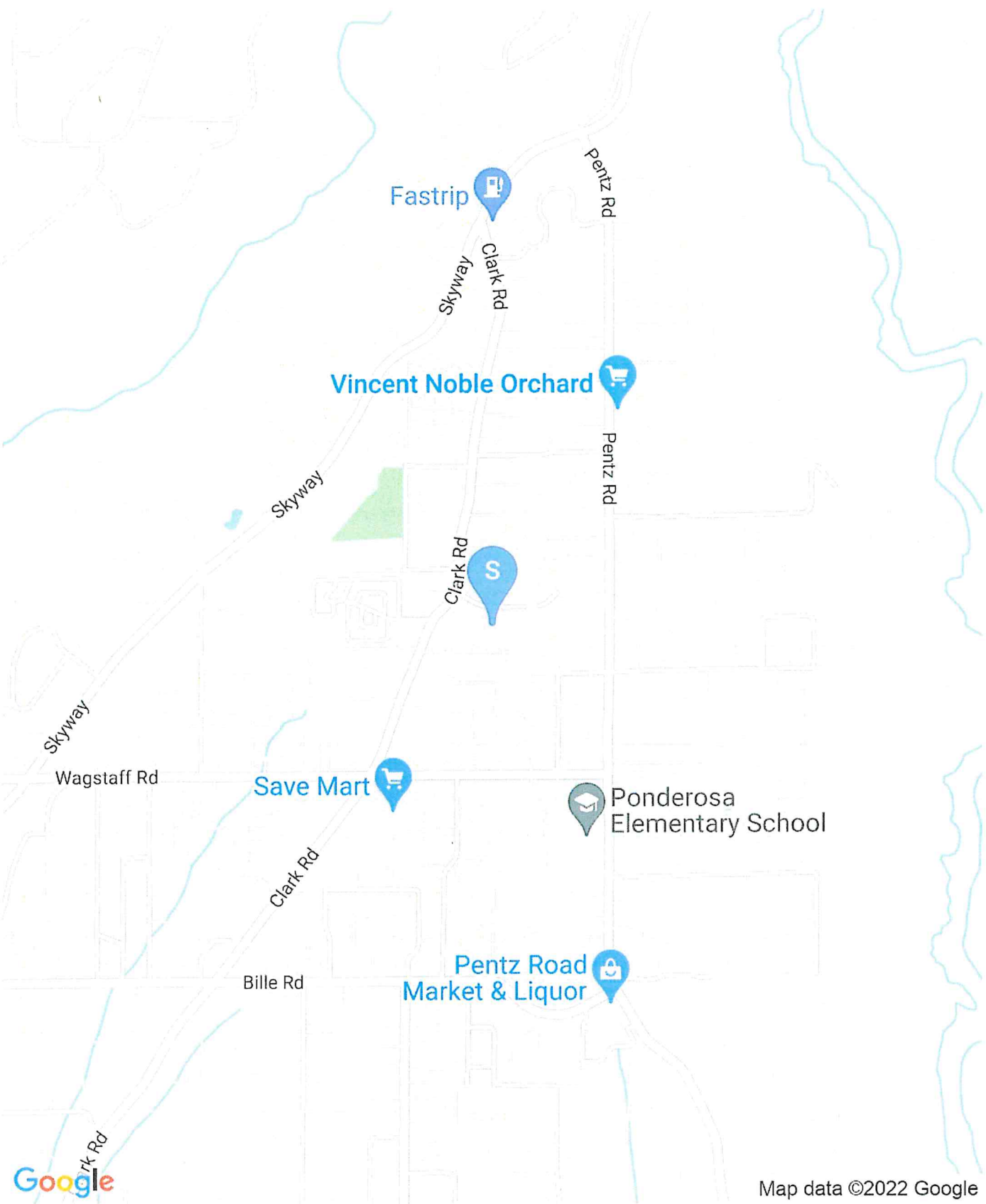
VALUE SCENARIOS

The valuation scenarios developed in this appraisal report include the As-Is Market Value of the subject property's fee simple interest.

REGIONAL MAP



LOCAL AREA MAP



REGIONAL ANALYSIS

The Chico, CA Metropolitan Statistical Area is in the California Central Valley, 90 miles north of the state capital of Sacramento. The MSA is comprised entirely of Butte County. According to the 2010 census, Butte County had a total population of 220,000. Butte County is bordered by the counties of Tehama to the north, Plumas to the east, Yuba and Sutter to the south, and Glenn to the west. There are four large cities in the MSA: Biggs, Chico, Gridley, and Oroville, which is the county seat. Highways serving the county include State Routes 32, 70 and 99. Butte Regional Transit provides public transportation throughout the largest cities in the MSA. There are several airports in the MSA, including Chico Municipal Airport, Oroville Municipal Airport and Ranchoero Airport. The agricultural sector is the region's leading industry, working as the backbone of the local economy. Crops include walnuts, almonds and rice. The region is also home to several hydroelectric power plants.



DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

REGIONAL AREA DEMOGRAPHICS							
YEAR	US	CA	COUNTY	YEAR	US	CA	COUNTY
POPULATION				NUMBER OF HOUSEHOLDS			
2010 Total Population	308,745,538	37,253,956	220,000	2021	125,920,087	13,037,531	83,181
2021 Total Population	331,582,303	39,594,139	212,789	2026	130,248,641	13,291,263	83,156
2026 Total Population	342,006,764	40,714,038	212,975	CAGR	0.7%	0.4%	(0.0%)
2010 - 2021 CAGR	0.7%	0.6%	(0.3%)	AVERAGE HOUSEHOLD SIZE			
2021 - 2026 CAGR	0.6%	0.6%	0.0%	2021	2.57	2.97	2.49
POPULATION DENSITY				2026	2.56	3.00	2.49
2021 Per Square Mile	92	250	127	CAGR	(0.04%)	0.18%	0.00%
2026 Per Square Mile	95	258	127	HOUSING UNITS			
MEDIAN AGE				Owner Occupied	81,634,787	7,281,812	48,065
2021	38.61	37.29	36.80	Renter Occupied	44,285,300	5,755,719	35,116
2026	39.39	38.02	37.81	AVERAGE HOUSEHOLD INCOME			
CAGR	0.40%	0.39%	0.54%	2021	\$94,862	\$113,992	\$79,953
MEDIAN HOME VALUE				2026	\$114,245	\$135,074	\$97,065
2021	\$216,425	\$503,156	\$277,937	CAGR	3.8%	3.5%	4.0%
PER CAPITA INCOME				MEDIAN HOUSEHOLD INCOME			
2021	\$36,918	\$38,340	\$32,082	2021	\$66,358	\$79,661	\$54,184
2026	\$44,556	\$45,022	\$38,948	2026	\$80,318	\$95,659	\$66,201
CAGR	3.8%	3.3%	4.0%	CAGR	3.9%	3.7%	4.1%

Source: Pitney Bowes/Gadberry Group - GroundView®

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, Butte County had a 2021 total population of 212,789 and experienced an annual growth rate of -0.3%, which was lower than the California annual growth rate of 0.6%. The county accounted for 0.5% of the total California population (39,594,139). Within the county the population density was 127 people per square mile compared to the higher California population density of 250 people per square mile and the lower United States population density of 92 people per square mile. The 2021 median age for the county was 36.80, which was 4.93% younger than the United States median age of 38.61 for 2021. The median age in the county is anticipated to grow by 0.54% annually, increasing the median age to 37.81 by 2026.

Education

The region is home to two institutions of higher education: California State University, Chico (CSU Chico) and Butte College. CSU Chico has an annual enrollment of approximately 17,000 students and offers 161 degrees including bachelor's, master's, and four teaching credentials. With an endowment of \$53.9 million, CSU Chico employs a staff of approximately 1,800. Butte College is a two-year institution in northern California, 75 miles north of Sacramento. The college has one of the largest community college campuses in California, with approximately 12,000 students enrolled annually.

Household Trends

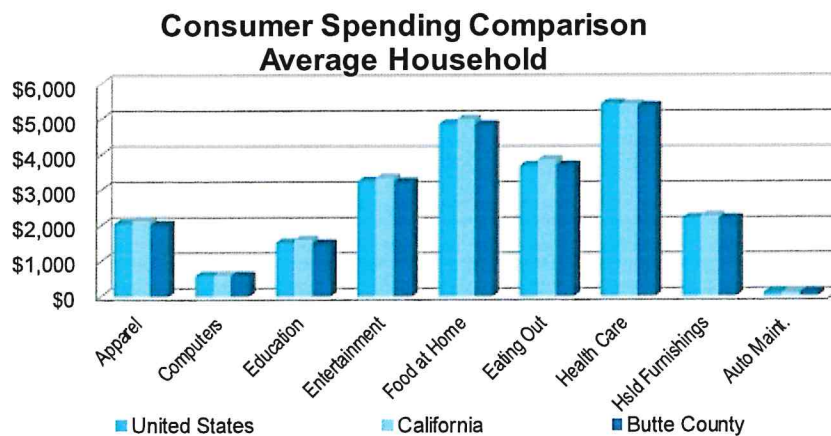
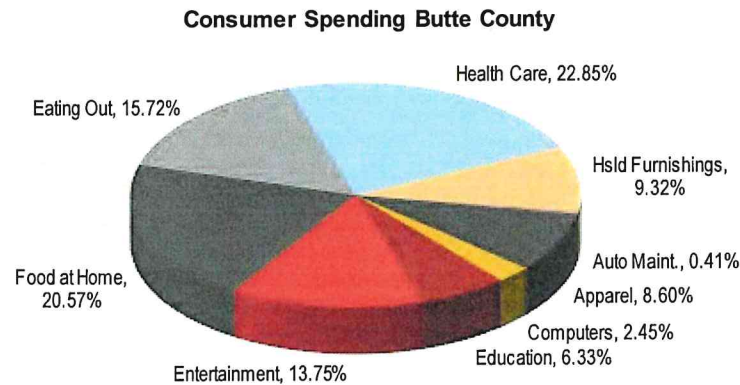
The 2021 number of households in the county was 83,181. The number of households in the county is projected to retract by 0.0% annually, reducing the number of households to 83,156 by 2026. The 2021 average household size for the county was 2.49, which was -3.01% smaller than the United States average household size of 2.57 for 2021. The average household size in the county is anticipated to grow by 0.00% annually, raising the average household size to 2.49 by 2026. Butte County had 42.22% renter occupied units, compared to the higher 44.15% in California and the lower 35.17% in the United States.

Income Trends

The 2021 median household income for the county was \$54,184, which was -18.3% lower than the United States median household income of \$66,358. The median household income for the county is projected to

073

grow by 4.1% annually, increasing the median household income to \$66,201 by 2026. As is often the case when the median household income levels are lower than the national average, the cost of living index is also lower. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Chico MSA's cost of living is compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.



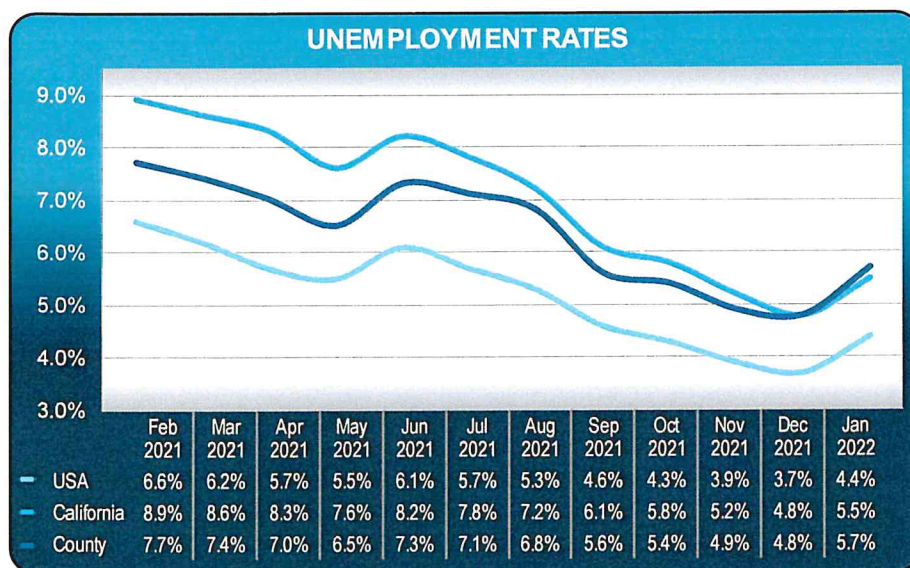
EMPLOYMENT

Total employment has increased annually over the past decade in the state of California by 0.5% and decreased annually by 0.3% in the county. From 2019 to 2020 unemployment increased in California by 6.1% and increased by 4.0% in the county. In the state of California unemployment has increased over the previous month by 0.7% and increased by 0.9% in the county.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2011 - 2020

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
California		Butte County, CA			United States*	California	Butte County, CA
Year	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2011	16,220,602	0.9%	86,549	(1.8%)	8.9%	11.9%	13.9%
2012	16,541,039	2.0%	88,363	2.1%	8.1%	10.5%	12.3%
2013	16,887,864	2.1%	90,829	2.8%	7.4%	9.0%	10.4%
2014	17,264,518	2.2%	92,215	1.5%	6.2%	7.6%	8.7%
2015	17,647,409	2.2%	93,766	1.7%	5.3%	6.3%	7.2%
2016	17,965,407	1.8%	94,909	1.2%	4.9%	5.5%	6.6%
2017	18,258,064	1.6%	96,122	1.3%	4.4%	4.8%	5.8%
2018	18,468,143	1.2%	96,640	0.5%	3.9%	4.3%	5.1%
2019	18,612,607	0.8%	92,858	(3.9%)	3.7%	4.1%	5.2%
2020	16,996,666	(8.7%)	84,095	(9.4%)	8.1%	10.2%	9.2%
CAGR	0.5%	-	(0.3%)	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



TOP EMPLOYERS

EMPLOYER NAME	EMPLOYEES	INDUSTRY
Enloe Medical Center	1000-4999	Healthcare/Social Assistance
Oroville Hospital	1000-4999	Healthcare/Social Assistance
Pacific Coast Producers	1000-4999	Manufacturing
Feather River Hospital	500-999	Healthcare/Social Assistance
Butte Community Insurance Agency	250-499	Finance/Insurance
Butte County Commission Employment	250-499	Administrative Support/Services
Butte County Sheriff	250-499	Public Administration
Butte County Social Welfare	250-499	Public Administration
Chico High School	250-499	Education
Wittmeier Chevrolet	100-249	Wholesale/Retail Trade

Source: <http://www.labormarketinfo.edd.ca.gov>

The preceding chart shows the top employers in Butte County. The largest employers are mainly in the healthcare/social assistance, manufacturing and wholesale/retail trade industries. The largest employer is

Enloe Medical Center. This is a 298-bed non-profit hospital that includes medical services such as cardiac surgery, maternity care and neurosurgery. The medical center serves the community of Butte County and California's northern state area. Oroville Hospital is the second largest employer. The 133-bed hospital in Oroville specializes in surgical procedures including thoracoscopic surgery using video-assistance. The third largest employer is Pacific Coast Producers. Specializing in canned fruits and tomatoes, the agricultural cooperative comprises approximately 160 farms in central and northern California.

AIRPORT STATISTICS

The following chart summarizes the local airport statistics.

REDDING MUNICIPAL AIRPORT (RDD)		
YEAR	ENPLANED PASSENGERS	% CHG
2010	54,420	-
2011	38,290	(29.6%)
2012	29,175	(23.8%)
2013	24,875	(14.7%)
2014	23,170	(6.9%)
2015	30,852	33.2%
2016	43,414	40.7%
2017	42,361	(2.4%)
2018	42,775	1.0%
2019	51,639	20.7%
2020	19,270	(62.7%)

Source: U.S. Department of Transportation

SUMMARY

The Chico, CA MSA is home to a regional economy that has strong influences in the healthcare and manufacturing industries. The region has a diverse and well positioned economic base, as well as the presence of a regional medical center and a strong education sector. This should have a positive influence and will benefit growth in the regional economy for years to come. Butte County is still recovering from the Camp Fire. In Paradise, many several commercial uses have closed, and unemployment has increased, though the community is slowly rebuilding. Overall, the outlook for the region is cautiously optimistic in the long-term.

LOCAL AREA ANALYSIS - PARADISE

The subject property is in Paradise, California, within Butte. Paradise is an unincorporated community and census-designated place (CDP) in the north portion of the county, and south of Magalia.

DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	5,264	23,465	37,773	2021	\$60,594	\$66,487	\$71,006
2010 Population	5,290	23,602	38,343	2026	\$67,720	\$78,325	\$86,151
2021 Population	2,533	11,672	22,876	Change 2021-2026	11.76%	17.80%	21.33%
2026 Population	1,934	9,032	19,351	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	0.49%	0.58%	1.51%	2021	\$51,813	\$55,243	\$53,035
Change 2010-2021	(52.12%)	(50.55%)	(40.34%)	2026	\$57,646	\$64,782	\$63,562
Change 2021-2026	(23.65%)	(22.62%)	(15.41%)	Change 2021-2026	11.26%	17.27%	19.85%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	1,565	5,959	9,446	2021	\$28,689	\$30,069	\$31,212
2021 Population	750	3,255	6,302	2026	\$32,194	\$35,514	\$37,794
2026 Population	652	2,837	6,021	Change 2021-2026	12.22%	18.11%	21.09%
Change 2010-2021	(52.08%)	(45.38%)	(33.28%)	2021 HOUSEHOLDS BY INCOME			
Change 2021-2026	(13.07%)	(12.84%)	(4.46%)	<\$15,000	14.6%	13.8%	13.3%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	12.1%	9.8%	10.5%
2000 Households	2,275	10,210	16,374	\$25,000-\$34,999	14.6%	11.1%	10.1%
2010 Households	2,342	10,595	17,144	\$35,000-\$49,999	7.1%	10.9%	13.6%
2021 Households	1,106	5,091	9,899	\$50,000-\$74,999	25.1%	21.3%	19.1%
2026 Households	831	3,903	8,319	\$75,000-\$99,999	10.0%	13.8%	14.5%
Change 2000-2010	2.95%	3.77%	4.70%	\$100,000-\$149,999	12.8%	13.7%	11.9%
Change 2010-2021	(52.78%)	(51.95%)	(42.26%)	\$150,000-\$199,999	2.2%	3.7%	2.9%
Change 2021-2026	(24.86%)	(23.34%)	(15.96%)	\$200,000 or greater	1.5%	1.9%	4.2%
HOUSING UNITS (2021)				MEDIAN HOME VALUE			
Owner Occupied	862	3,539	7,219	2021	\$204,208	\$198,857	\$198,855
Renter Occupied	257	1,610	2,735	AVERAGE HOME VALUE			
HOUSING UNITS BY YEAR BUILT				2026	\$220,782	\$243,407	\$252,216
Built 2010 or later	12	36	199	HOUSING UNITS BY UNITS IN STRUCTURE			
Built 2000 to 2009	89	334	835	1, detached	652	3,364	6,523
Built 1990 to 1999	102	510	1,128	1, attached	0	180	322
Built 1980 to 1989	197	1,011	2,223	2	0	86	118
Built 1970 to 1979	342	1,563	3,035	3 or 4	8	162	232
Built 1960 to 1969	202	588	923	5 to 9	9	70	70
Built 1950 to 1959	87	642	949	10 to 19	6	15	49
Built 1940 to 1949	35	290	410	20 to 49	6	50	118
Built 1939 or earlier	39	116	198	50 or more	39	73	176
				Mobile home	389	1,132	2,320
				Boat, RV, van, etc.	11	16	25

Source: Pitney Bowes/Gadberry Group - GroundView®

As noted in the table above, negative household and population growth is anticipated in the subject's neighborhood (three-mile radius) between 2021 and 2026. The average and median household income levels in the subject's neighborhood are \$66,487 and \$55,243, respectively. Of the 5,091 households within the

subject's neighborhood, 35.1% have an income base between \$50,000 and \$100,000, and 45.6% are below \$50,000.

Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Highway 99	north-south	Local Highway	This is within 10 miles of the subject property.
Highway 32	east-west	Local Highway	This is within 10 miles of the subject property.
Highway 70	east-west	Local Highway	This is within 10 miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Cypress Lane	east-west	Secondary Arterial	The subject property fronts this street.
Clark Road	north-south	Primary Arterial	This is just down the street from the subject property.

Public Transportation is available near the subject, with a stop along Clark Road near Kilcrease Circle.

Camp Fire Recovery

The Camp fire, which occurred in November 2018 in Paradise California, was one of the deadliest and most destructive wildfires in the history of California. Shortly after the fires were contained, a number of agencies joined to begin what they called an "unprecedented wildfire cleanup effort" that spanned approximately 14,700 properties and costing an estimated \$3 billion. The California Department of Resources Recycling and Recovery (CalRecycle); Butte, Los Angeles and Ventura Counties; the California Department of Toxic Substances Control (DTSC); the U.S. Environmental Protection Agency (EPA); the Federal Emergency Management Agency (FEMA); and other federal, state and local partners are continuing together under the leadership of the California Governor's Office of Emergency Services (CalOES) to carry out the state-managed debris removal. The agencies divided the cleanup effort into two phases: removal of household hazardous waste and removal of other fire-related debris. Some 1,000 truckloads of material were removed daily from properties in Paradise, Concow, and Magalia. Cleanup took about one year. It is still unknown how many residents or businesses will eventually return to Paradise.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The subject property is located in the Paradise Unified School District. GreatSchools.org is an on-line tool that rates every school on a scale of one to ten based on test scores. They also track parents rating of the school on a one to five scale. The following chart details the ratings of schools nearest to the subject.

SCHOOL DISTRICTS							
SCHOOL DISTRICT	NUMBER OF SCHOOLS						TOTAL
	ELEMENTARY	MIDDLE	HIGH	PUBLIC	CHARTER		
Paradise Unified School District	9	8	6	12	4		16
HIGH SCHOOLS							
HIGH SCHOOLS	GREATSCHOOLS RATING	PARENT RATING	SCHOOL TYPE	GRADES SERVED	DISTANCE FROM SBJ.	CITY LOCATION	TOTAL ENROLLMENT
Ridgeview High (Continuation) School	2	4	public	9-12	1.36 miles	Magalia	104
Paradise Learning Academy	4	-	public	9-12	2.24 miles	Paradise	77
Paradise Senior High School	7	3	public	9-12	2.28 miles	Paradise	898
Paradise Adult	-	-	public	n/a	2.69 miles	Paradise	-
Honey Run Academy Secondary	-	1	public	7-12	2.69 miles	Paradise	7

Source: GreatSchools.org

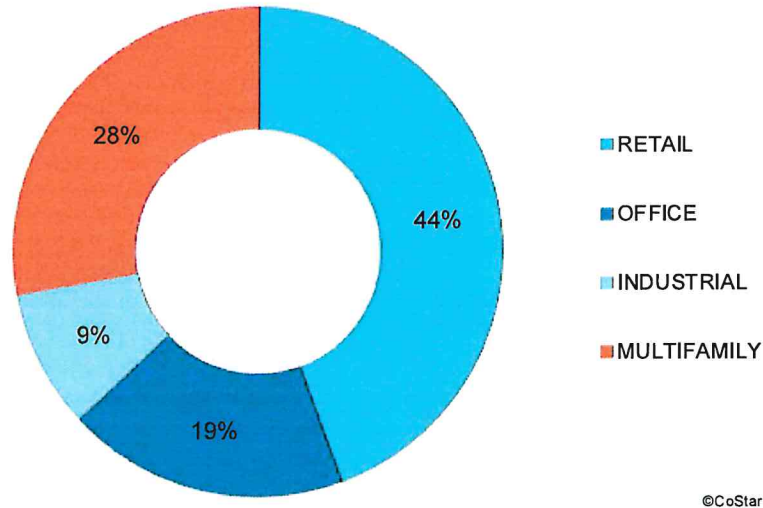
IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly influence the performance and appeal of the subject property.

Predominant Land Uses

The local area has a mix of commercial uses nearby and the composition is shown in the following graph. Many of the entries in the following tables display N/A due to many structures having been destroyed or closed due to the Camp Fire.

COMMERCIAL AREA COMPOSITION



Residential Development

Residential uses in the immediate area are primarily single family residential. According to Zillow, the median home value in Paradise is \$323,734. Paradise home values have increased 16.6% over the past year and Zillow predicts they will continue to rise over the coming year.

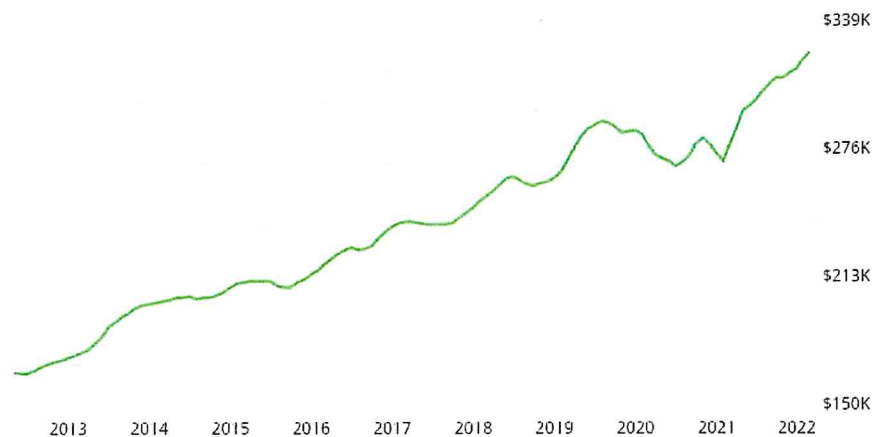
95969 Market Overview

Data through Feb 28, 2022

\$323,734 ZHVI

No data 1-yr forecast

Zillow Home Value Index All homes 1-yr 5-yr Max
Feb 2022 95969 \$323K



Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

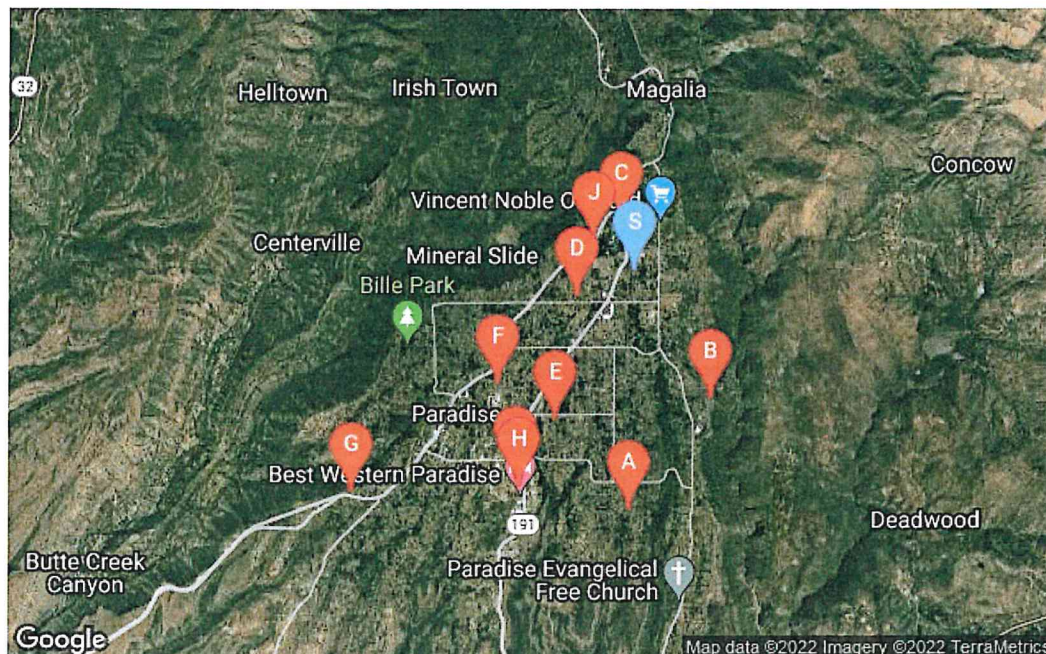
MULTIFAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
B	7	147,228	1952
C	26	387,088	1958
TOTAL	33	534,316	1956

Source: CoStar

The largest three multi-family properties are at 5427 Edgewood Lane, 5900 Canyon View Drive and 7075 Clark Road with an NRA of 130,334 SF, 113,225 SF and 60,000 SF that were built in 1986, 2001 and 1900, respectively. The closest large multi-family property in proximity to the subject is at 8846 Skyway Road with an NRA of 8,643 SF that was built in 1900. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Multifamily Building	2.7 Miles	A	C	130,334	1	1986
Feather Canyon	1.7 Miles	B	C	113,225	2	2001
Pheasant Ridge Mobile Estates	0.6 Miles	C	B	60,000	0	1900
Multifamily Building	0.7 Miles	D	C	40,000	1	1960
Villa Monterey	1.9 Miles	E	B	39,378	2	1973
Central Park Condos	2.0 Miles	F	B	36,550	2	-
Paradise Apartments	4.0 Miles	G	C	18,176	1	2010
Paradise Gardens	2.7 Miles	H	C	14,400	1	1974
Multifamily Building	2.6 Miles	I	C	10,000	0	1999
Multifamily Building	0.6 Miles	J	C	8,643	0	1900

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

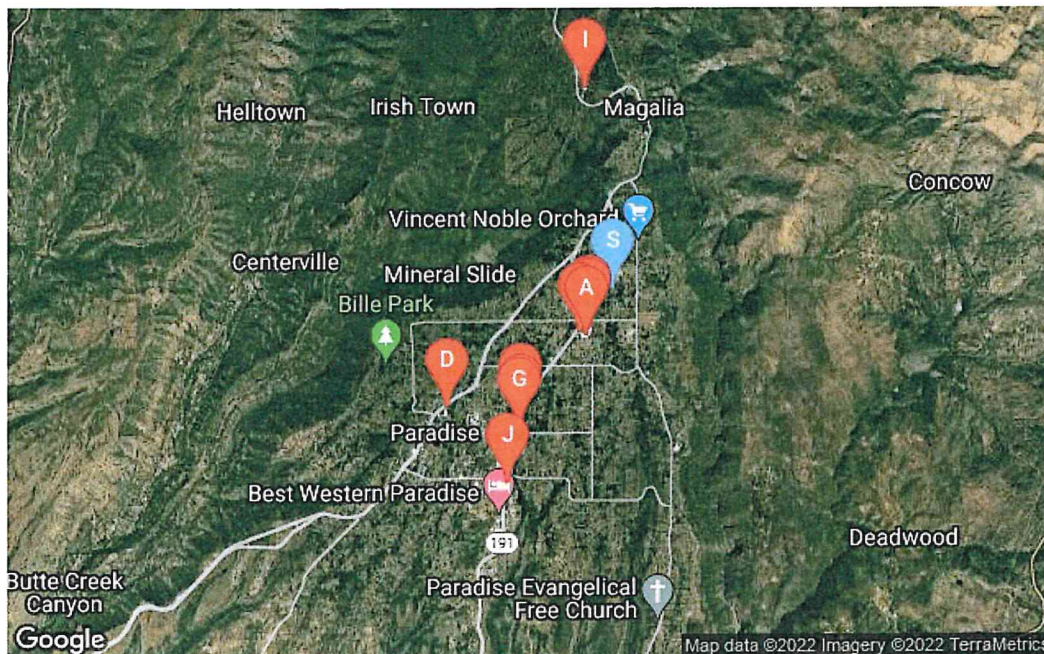
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	137	850,738	1965	49.9	\$14.04
TOTAL	137	850,738	1965	49.9	\$14.04

Source: CoStar

The largest three retail properties are at 6600 Clark Road, 6606 Clark and Clark Road with an NRA of 81,952 SF, 81,952 SF and 56,979 SF that were built in 1979, 2000 and 2000, respectively. The closest large retail property in proximity to the subject is at 6646 Clark Road with an NRA of 38,513 SF that was built in 1979. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Paradise Plaza	0.6 Miles	A	Strip Center	81,952	-	1979	\$8.40
Retail Building	0.6 Miles	B	General Retail	81,952	100.0	2000	N/Av
Retail Building	1.7 Miles	C	General Retail	56,979	100.0	2000	N/Av
Paradise Shopping Center	2.3 Miles	D	Neighborhood Center	55,000	82.6	1965	\$9.00
Paradise Plaza	0.5 Miles	E	Strip Center	38,513	100.0	1979	N/Av
Paradise Plaza	0.5 Miles	F	Strip Center	37,110	100.0	1978	N/Av
Old Town Plaza Shopping Center	1.9 Miles	G	General Retail	36,795	-	1983	N/Av
Old Town Plaza Shopping Center	1.8 Miles	H	General Retail	29,080	-	1983	N/Av
Retail Building	2.3 Miles	I	General Retail	28,000	100.0	1989	N/Av
Ace Hardware	2.5 Miles	J	General Retail	27,063	100.0	1965	N/Av

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

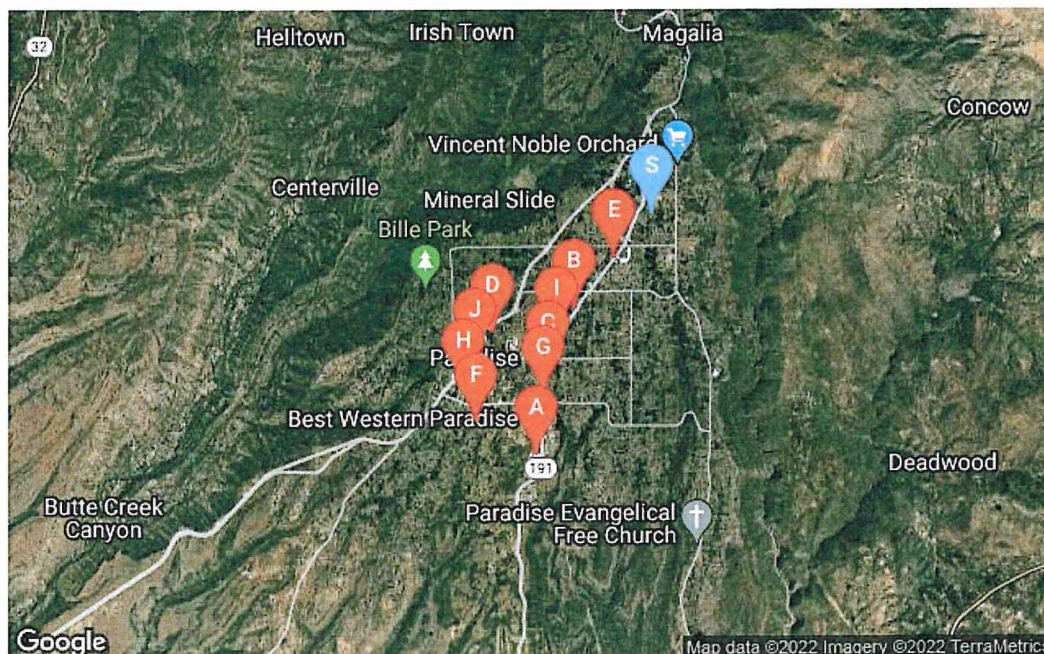
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
B	14	140,058	1975	61.4	\$14.78
C	38	217,989	1958	52.6	-
TOTAL	52	358,047	1963	55.0	\$14.78

Source: CoStar

The largest three office properties are at 5399 Clark Road, 6283 Clark Road and 5910 Clark Road with an NRA of 64,823 SF, 58,531 SF and 22,671 SF that were built in 1989 and 1982, respectively. The closest large office property in proximity to the subject is at 6585 Clark Road with an NRA of 19,415 SF that was built in 1991. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Office Building	3.0 Miles	A	B	64,823	100.0	-	N/Av
Office Building	1.4 Miles	B	C	58,531	100.0	1989	N/Av
Quail Run	2.1 Miles	C	B	22,671	79.9	1982	\$15.16
Ponderosa Professional Center	2.2 Miles	D	C	20,726	100.0	1984	N/Av
B	0.7 Miles	E	B	19,415	79.5	1991	\$14.40
Office Building	3.0 Miles	F	C	18,758	0.0	1965	N/Av
Office Building	2.4 Miles	G	C	14,020	0.0	1982	N/Av
Office Building	2.9 Miles	H	C	8,400	100.0	1980	N/Av
Office Building	1.7 Miles	I	C	8,190	100.0	1999	N/Av
Office Building	2.5 Miles	J	C	6,683	100.0	-	N/Av

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

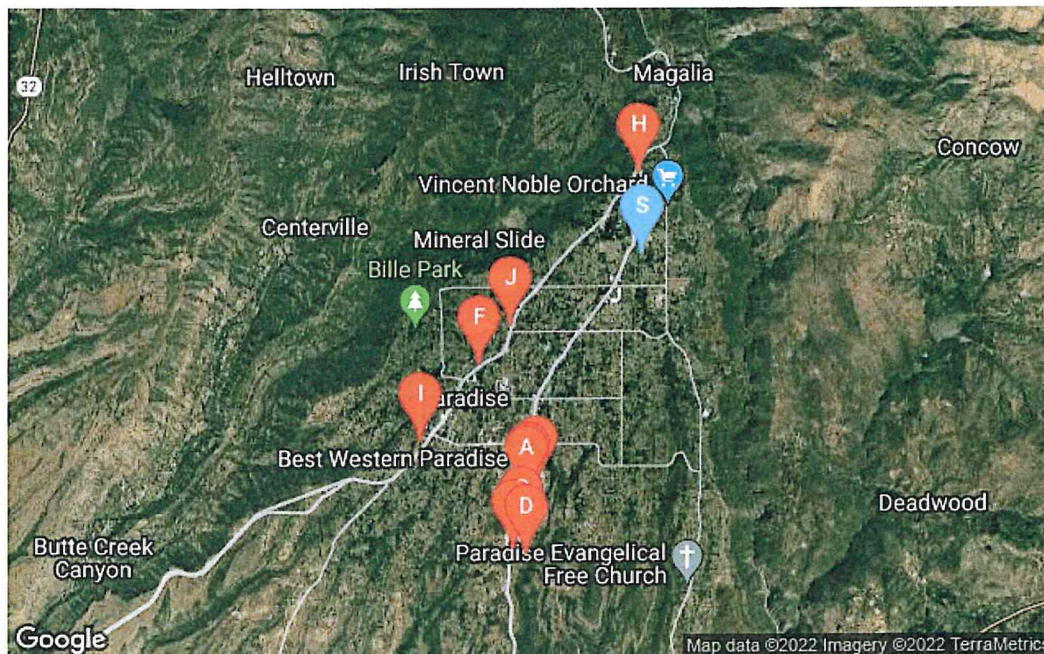
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	16	174,200	1966	43.8	-
TOTAL	16	174,200	1966	43.8	\$0.00

Source: CoStar

The largest three industrial properties are at 5385-5399 Clark Road, 5420 Clark Road and 919 Easy Street with an NRA of 64,823 SF, 29,182 SF and 15,308 SF that were built in 1981, 1978 and 1900, respectively. The closest large industrial property in proximity to the subject is at 7245 Clark Road with an NRA of 6,240 SF that was built in 1962. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Paradise Post	3.0 Miles	A	Industrial	64,823	100.0	1981	N/Av
Industrial Building	2.8 Miles	B	Industrial	29,182	0.0	1978	N/Av
Industrial Building	3.6 Miles	C	Industrial	15,308	100.0	1900	N/Av
Industrial Building	3.6 Miles	D	Industrial	12,200	0.0	-	N/Av
Industrial Building	2.9 Miles	E	Industrial	8,600	0.0	1997	N/Av
Industrial Building	2.2 Miles	F	Industrial	7,000	0.0	1952	N/Av
Industrial Building	3.4 Miles	G	Industrial	6,796	100.0	1992	N/Av
Industrial Building	0.9 Miles	H	Industrial	6,240	0.0	1962	N/Av
Industrial Building	3.2 Miles	I	Industrial	4,800	0.0	1900	N/Av
Industrial Building	1.7 Miles	J	Industrial	4,796	0.0	1920	N/Av

Source: CoStar



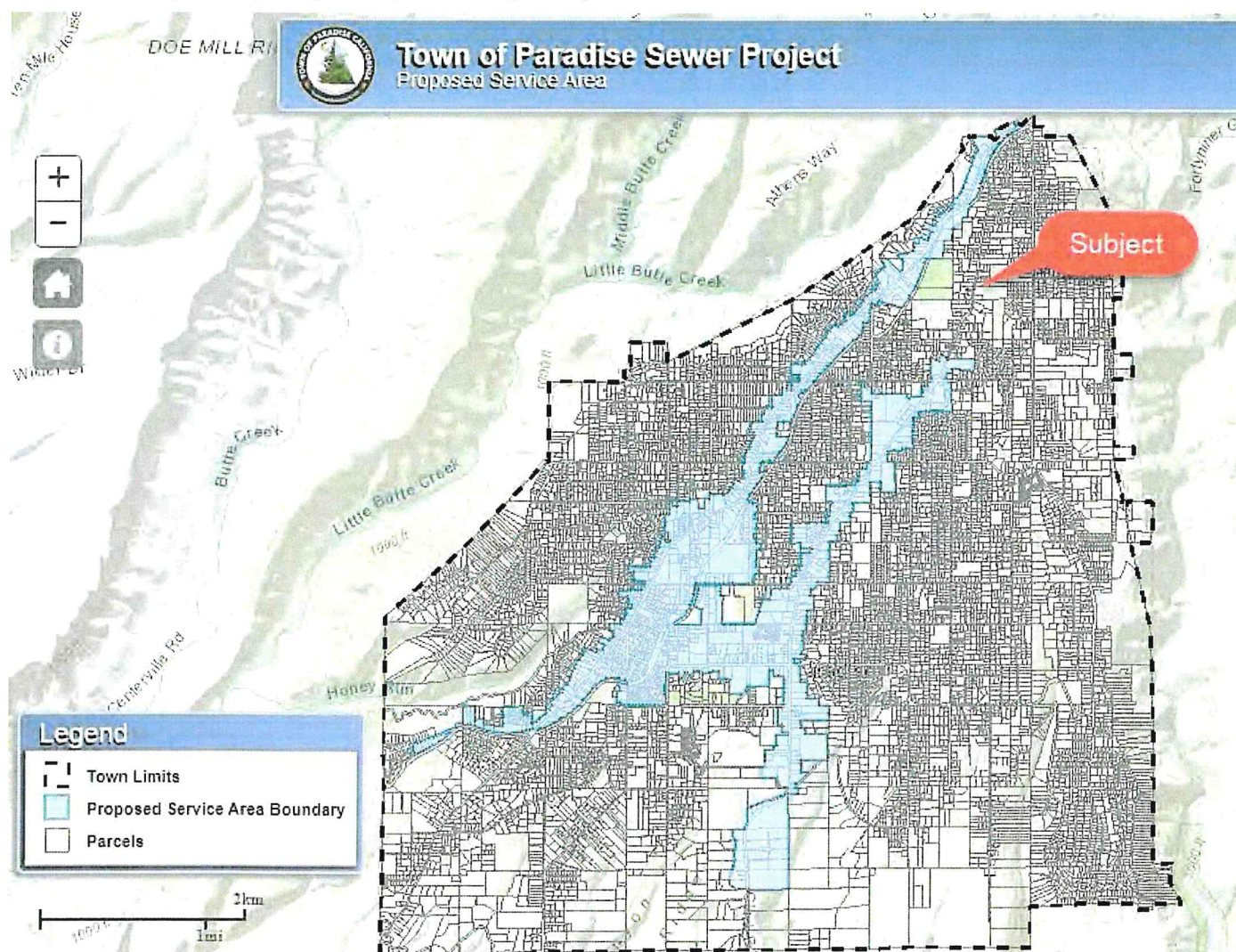
Proposed Sewer District

Paradise is planning a sewer treatment district. Parcels within this district are selling for more than those outside its boundaries. The subject's parcels are about 1,500 feet outside of the service district boundaries.

This adds to the cost of developing a larger parcel due to the need for a large septic system leach field and reserve leach field. Yet, this increases the price developers are willing to pay for larger sites since they anticipate the economies of scale in building a larger project will more than offset the additional site acquisition cost.

The proposed district is completing its environmental impact report for submission to and approval from LAFCO (the Local Agency Formation Commission), which is largely ministerial. Construction permits are anticipated being issued in 2023 with construction to follow in late 2023 or early 2024. The system is anticipated to take two years to complete.

The proposed sewer district boundaries are depicted below. The bulk of residential uses in the community will continue to rely on septic systems, while the primary commercial corridors will be connected to sewer.



SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North - Raw Land**

- › **South** - Raw Land
- › **East** - Raw Land
- › **West** - Clark Road, Raw Land, Some Residential Uses

Access

The subject site has frontage on a neighborhood street. Based on my field work, the subject's access is rated average compared to other properties with which it competes.

Visibility

The subject is clearly visible in both directions along the street. The visibility of the property is not hampered by adjacent properties, trees or other obstructions. In comparison to competitive properties, the subject property has average visibility.

Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence for the subject, which is concluded to have an average position in context of competing properties.

SUMMARY

The subject is in the Town of Paradise, which was devastated by the Camp Fire. Significant development in the immediate area had consisted of office, retail, and residential uses, and is now predominantly vacant land with a variety of new construction taking place.

Paradise is planning a sewer treatment district, and parcels within this proposed district are selling for more than those outside its boundaries. However, the subject has a reportedly reusable septic system leach field that was concluded by Northstar Engineering of Chico to have a value of \$200,000. It was part of a convalescent care home facility that was destroyed in the Camp Fire, and it can be incorporated into the proposed project's leach field.

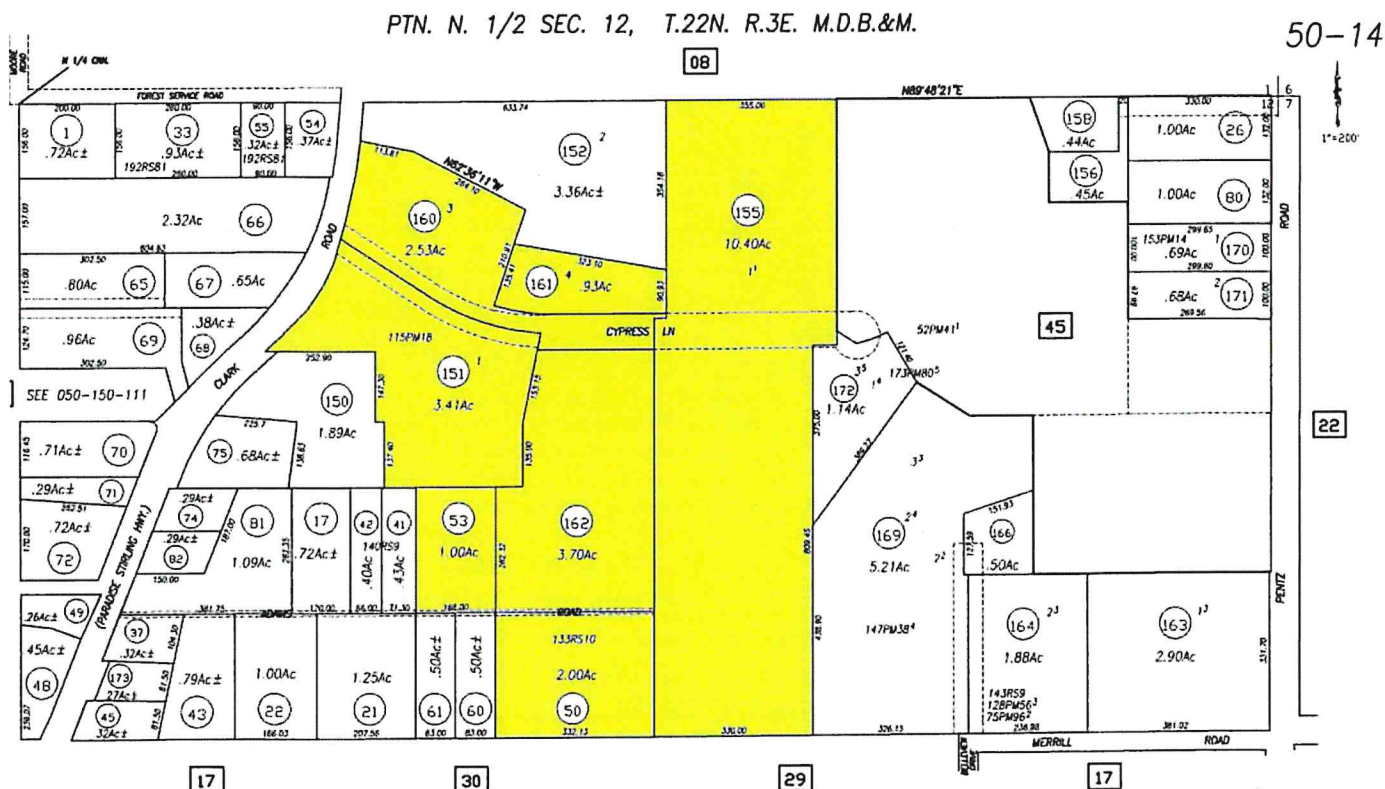
Residential uses in the immediate area are predominantly single-family with a few multi-family properties. Many of the structures in the subject's immediate area were destroyed by fire, and reconstruction is very slow and sporadic. Overall, the outlook for the region is cautiously optimistic in the long-term.

PROPERTY & ASSIGNMENT OVERVIEW

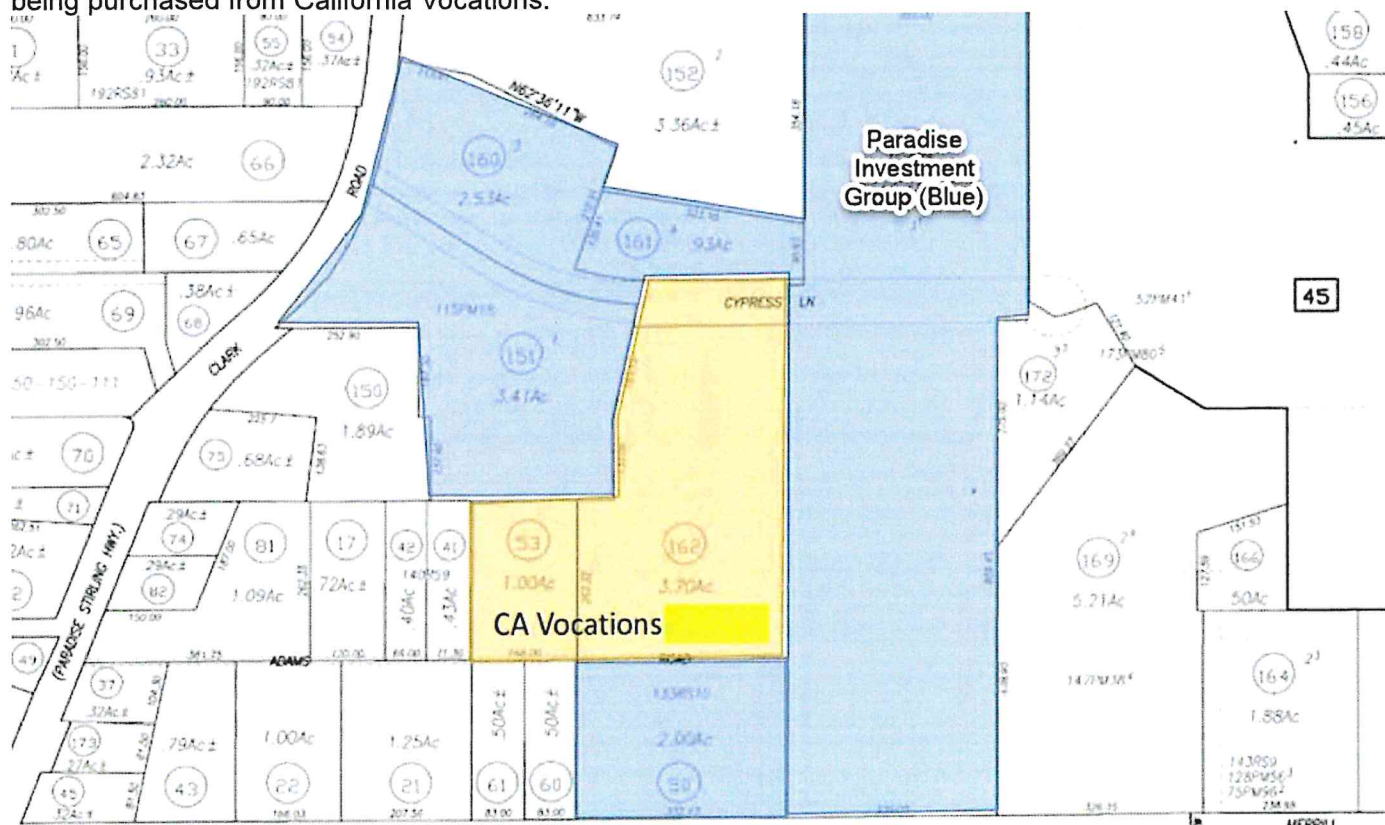
CONTINUED

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PLAT MAP – 23.97 ACRES

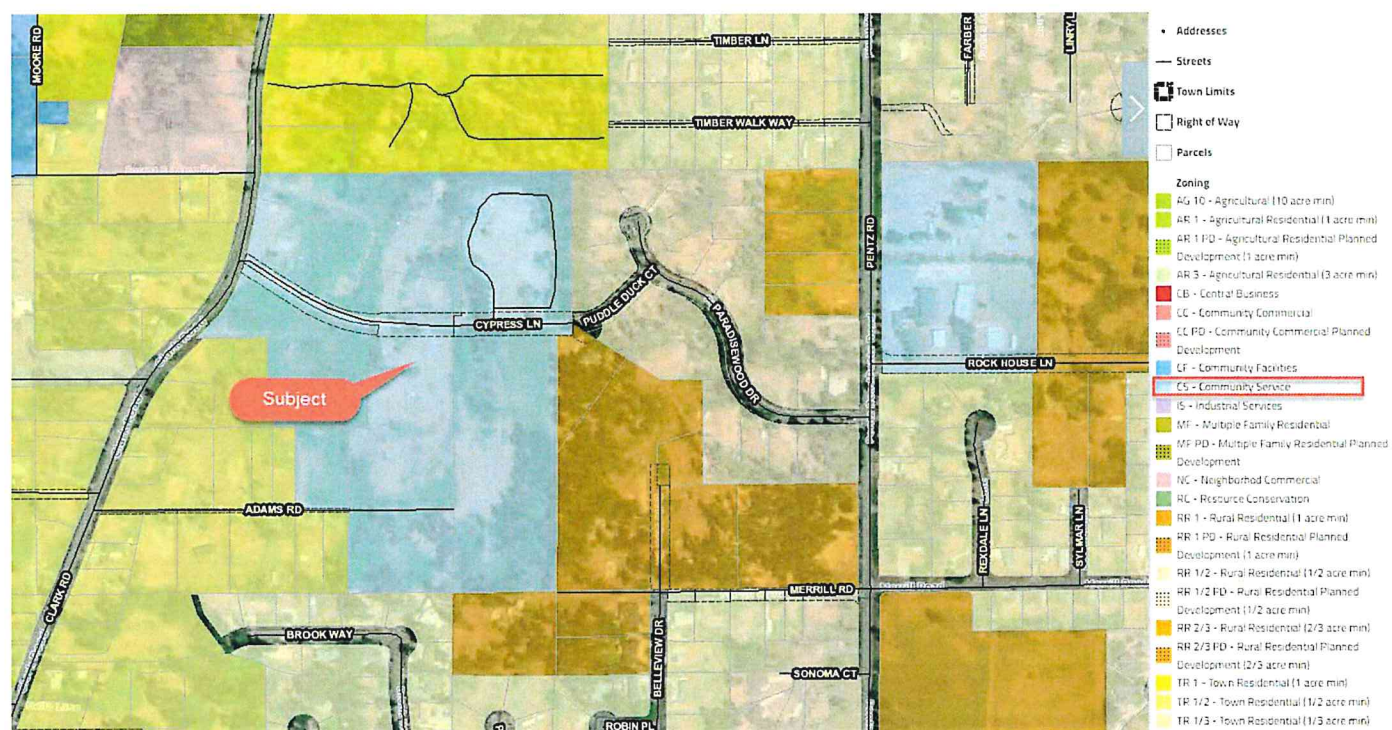


These parcels are under two separate ownerships as shown below. The five blue parcels highlighted in blue are being purchased from Paradise Investment Group, and the other two parcels highlighted in yellow are being purchased from California Vocations.



California Vocations accounts for 4.7-acres. Paradise Investment Group accounts for 19.27 acres.

086



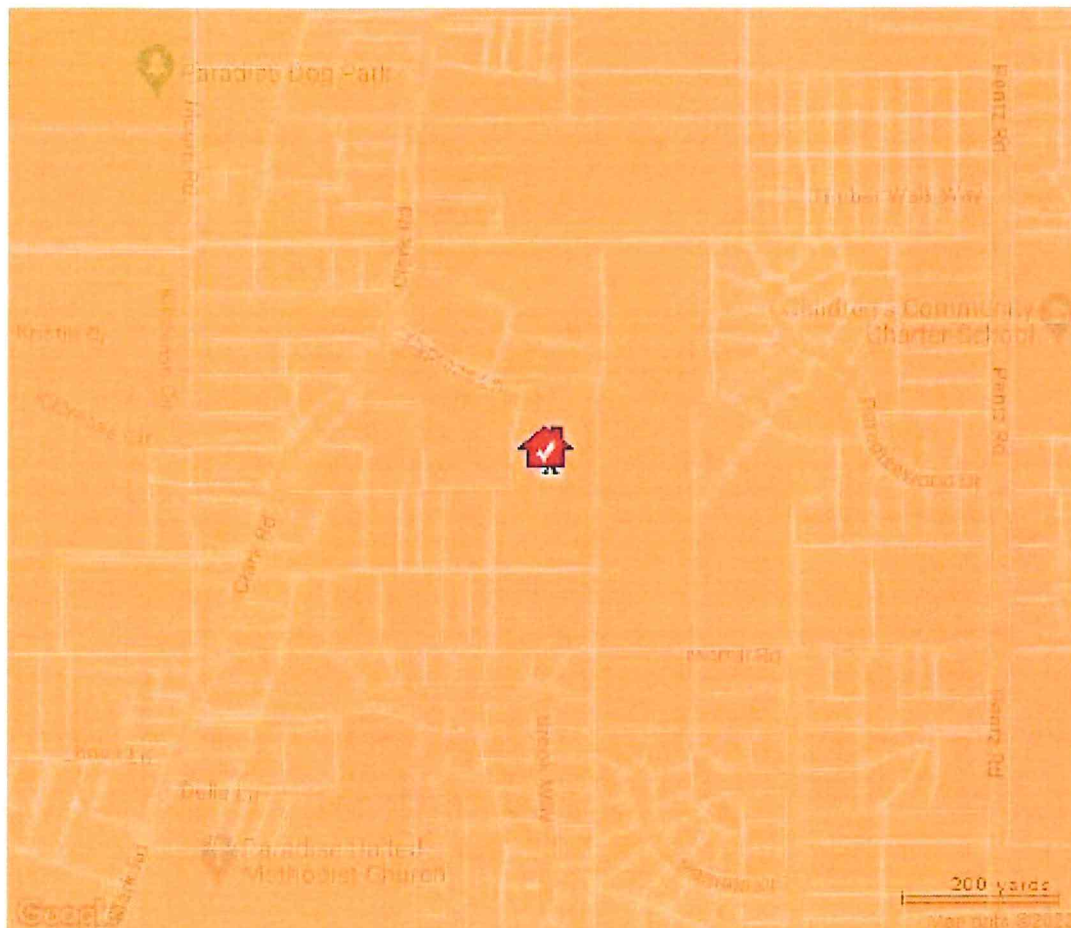
FLOOD MAP

1620 CYPRESS LN, PARADISE, CA 95969-2824

Report Date: 04/03/2022

County: BUTTE, CA

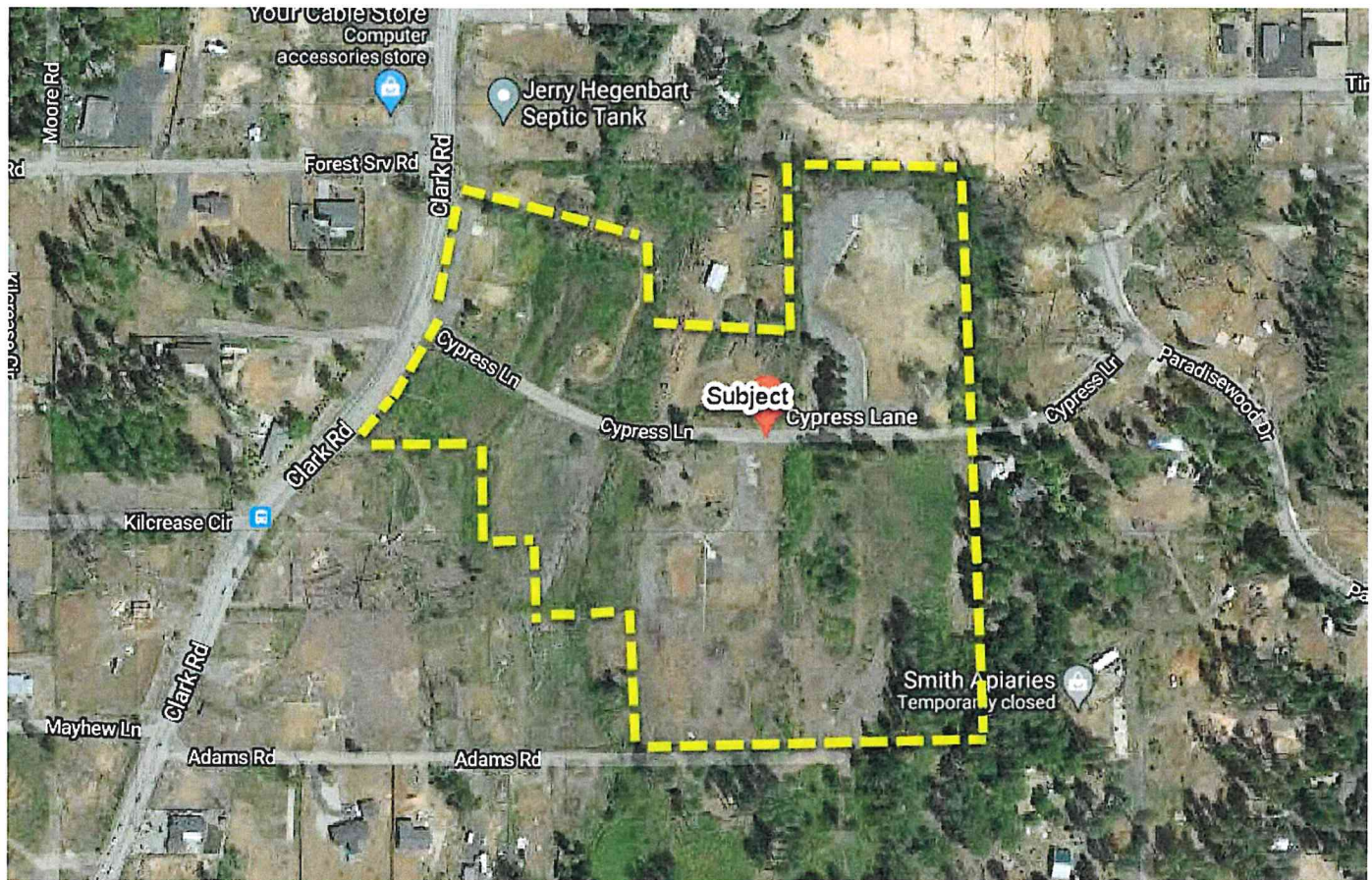
Flood Zone Code	Flood Zone Panel	Panel Date
X	060748 - 06007C0400E	01/06/2011
Special Flood Hazard Area (SFHA) Within 250 ft. of multiple flood zones?	Community Name	
Out	No	PARADISE
Flood Zone Description:		
Zone X-An area that is determined to be outside the 100- and 500-year floodplains.		

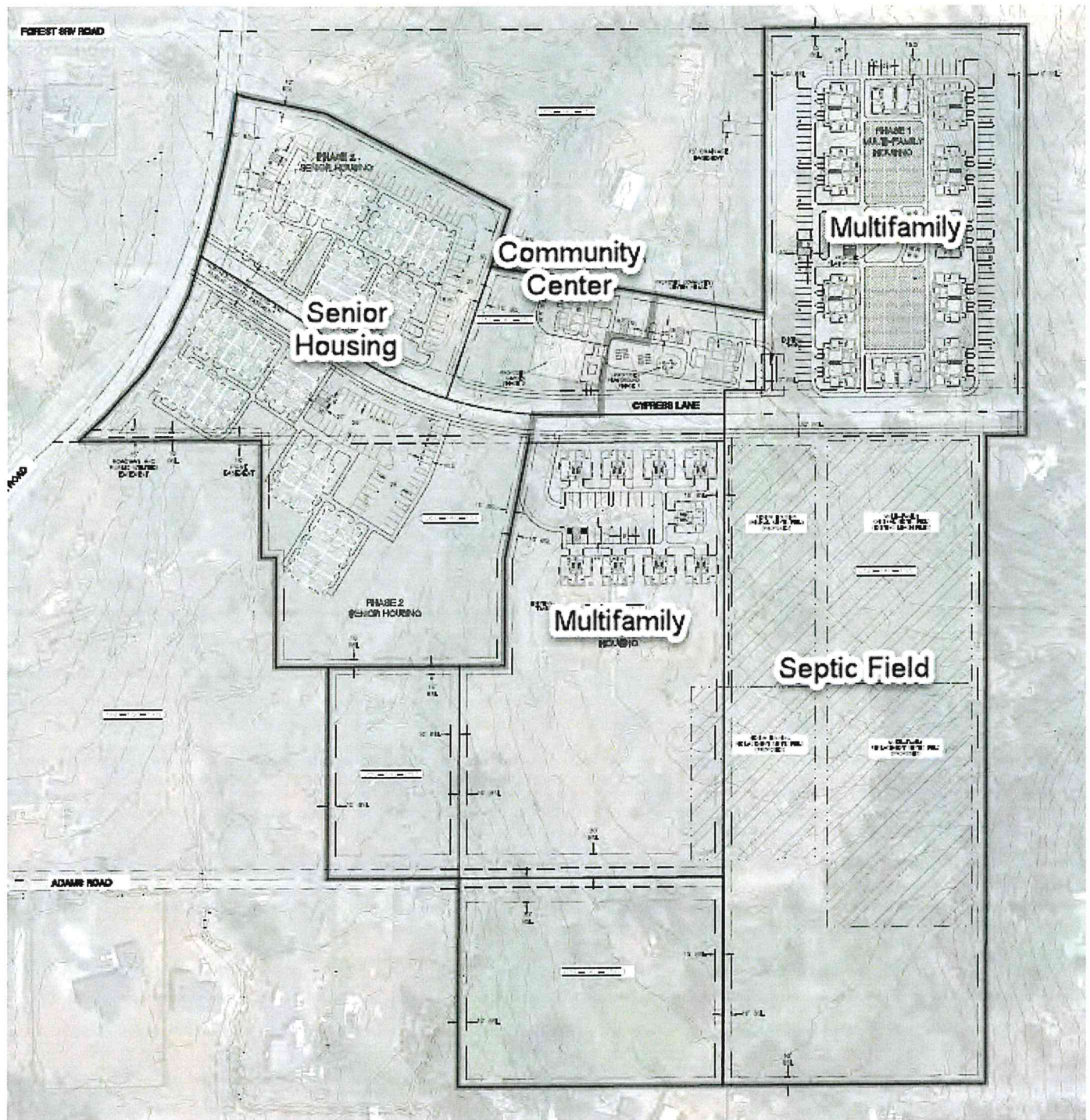


Flood Zones

Coastal 100-year Floodway	100-year Floodway	Undetermined	500-year Floodplain Incl. levee protected area
Coastal 100-year Floodplain	100-year Floodplain	Unknown or Area Not Included	Out of Special Flood Hazard Area

SITE PLAN





The area designated for a septic field covers about 4.5 acres with about 1.5 additional acres immediately to the south for possible expansion. The subject will be built in phases, with 140 units in the first group. The septic lines will also be designed to tie into the community sewer system should it be extended far enough along Clark Road. Tying into the sewer system would free up the leach field acreage for additional development.

SITE DESCRIPTION

Introduction

The information presented below is a basic description of the site. This information is used in the valuation of the property. Reliance has been placed upon information provided by sources deemed dependable for this analysis.

General Description

The subject site consists of 7 parcels. As noted below, the subject site has 1,044,134 SF (23.97 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. This valuation will apply the usable site area. The following discussion summarizes the subject site size and characteristics.

The most notable physical weakness of the subject is its challenging Paradise location. The community is slowly rebuilding from the Camp Fire, but it has yet to achieve a critical mass of households or employers to trigger rapid commercial development. Yet, there is reportedly a strong response from people seeking to return to Paradise.

Assessor Parcels

See Multiple Parcel Chart For Breakdown

Number Of Parcels

7

Land Area	Acres	Square Feet
Primary Parcel	23.97	1,044,134
Unusable Land	0.00	0
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
Total Land Area	23.97	1,044,134

Shape

See Multiple Parcel Chart For Breakdown

Topography

Generally Level at street grade

Drainage

Assumed Adequate

Utilities

Water and electricity available to the site, a septic/sewage connection is not available

Street Improvements

Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetsights	Center Lane	Gutters
Cypress Lane	Secondary Street	two-way	two-lane	connector street				

Frontage

The subject has adequate frontage along Cypress Lane.

Accessibility

Average - The subject is within 8 miles of Highway 99, within 7 miles of Highway 70 and within 10 miles of Highway 32. Access to the subject is available from Cypress Lane.

Exposure

Average - The site is an interior location along Cypress Lane, a lightly traveled neighborhood street.

Seismic

Moderate Risk

Flood Zone

Zone X (Unshaded). This is referenced by Community Number 060748, Panel Number 06007C0400E, dated January 06, 2011. Zone X (unshaded) is a

moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

MULTIPLE PARCEL SITE DESCRIPTION GRID

PARCEL	USABLE		TOTAL		FRONTING STREET	SHAPE	ACCESS	EXPOSURE
	SF	AC	SF	AC				
050-140-050	87,120	2.00	87,120	2.00	Cypress Lane	Rectangular	Average	Average
050-140-053	43,560	1.00	43,560	1.00	Cypress Lane	Rectangular	Average	Average
050-140-151	148,540	3.41	148,540	3.41	Cypress Lane	Irregular	Average	Average
050-140-155	453,024	10.40	453,024	10.40	Cypress Lane	Irregular	Average	Average
050-140-160	110,207	2.53	110,207	2.53	Cypress Lane	Irregular	Average	Average
050-140-161	40,511	0.93	40,511	0.93	Cypress Lane	Irregular	Average	Average
050-140-162	161,172	3.70	161,172	3.70	Cypress Lane	Irregular	Average	Average
TOTAL	1,044,134	23.97	1,044,134	23.97				

The subject is being acquired in two purchases: **4.7-acres of the bolded parcels, and 19.27-acres of un-bolded parcels.** I will value each of these components separately, and conclude an additional value as one economic unit.

Site Rating

Overall, the subject site is considered a good land site in its location, exposure, and access to employment, education and commercial centers, recognizing its location along a connector street. The overall site is generally level with some mildly sloping portions.

The subject's parcels are about 1,500 feet outside of the proposed sewer district service area for Paradise, which is planned to commence construction in 2023. This is close enough to be considered for a subsequent expansion, but will require in the interim an onsite septic system with a leach field and reserve leach field area. The area currently set aside is about 4.5 acres in size, with an additional roughly 1.5 acres for potential expansion.

A precise estimate of the necessary size of the leach field and reserve leach field area is beyond the scope of work of this assignment. It was reported that the existing leach field supported a senior care facility prior to the improvements being destroyed by fire. For this analysis, it is and assumed that the existing leach fields could be fully used for the proposed project. According to the engineer's estimate, the existing leach field is worth \$200,000. If the subject is connected to a sewer system, this leach field acreage will become available for further development, providing some value upside in the pending acquisition.

Easements

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value influence on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

I have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

ASSESSMENT & TAXATION

The subject is in Butte County. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2022				Tax Rate	1.085085%
Tax Rate Area	005001				Taxes Current	Yes
Taxes SF Basis	Total Land Area					
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
050-140-050	\$45,000	\$0	\$45,000	\$0	\$45,000	\$488
050-140-053	\$25,993	\$0	\$25,993	\$0	\$25,993	\$282
050-140-151	\$115,856	\$0	\$115,856	\$0	\$115,856	\$1,257
050-140-155	\$400,000	\$0	\$400,000	\$0	\$400,000	\$4,340
050-140-160	\$80,000	\$0	\$80,000	\$0	\$80,000	\$868
050-140-161	\$50,682	\$0	\$50,682	\$0	\$50,682	\$550
050-140-162	\$147,348	\$0	\$147,348	\$0	\$147,348	\$1,599
Totals	\$864,879	\$0	\$864,879	\$0	\$864,879	\$9,385
Additional Tax Charges						
Butte Vector Control						\$19
Paradise Animal Control						\$84
Annual Septic Service						\$431
Total Additional Tax Charges						\$534
Total Base Tax & Additional Tax Charges						\$9,919

Source: Butte County Assessment & Taxation

Subject Property Analysis

The total taxable value for the subject property is \$864,879 or \$0.83/SF. There are no exemptions in place. Total taxes for the property are \$9,919 or \$0.01/SF. The bolded parcels comprise the 4.7-acre component.

In California, property reassessments occur upon a change of ownership or completion of new construction. If neither has occurred during the tax year, assessments can increase for annual inflation or 2%, whichever is less. Consequently, tax comparables are not applicable. Base taxes are based upon 1% of the assessed value plus any amounts necessary to satisfy general obligation bonds or other indebtedness.

According to the Butte County Tax Collector's Office, real estate taxes for the subject property are current as of the date of this report.

ZONING ANALYSIS

The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Paradise Planning & Zoning Department
Current Zoning	Community Service (CS)
Permitted Uses	General office, medical office, residential, daycare, community care are allowed, multifamily is allowed following approved site plan and a maximum of 15 units per acre.
Current Use	Vacant Land
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely
ZONING REQUIREMENTS	
Conforming Use	The existing improvements represent a conforming use within this zone
Minimum Site Area (SF)	21,780 SF
Minimum Yard Setbacks	
Front (Feet)	50 from public street centerline, 30 from private street centerline
Rear (Feet)	10
Side (Feet)	10
Maximum Site Coverage	50%
Maximum Building Height	50 Feet

Source: City of Paradise Planning & Zoning Department

Zoning Conclusions

Based on my interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of this analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through my due diligence. I note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

MARKET ANALYSIS

In this section, market conditions that influence the subject will be considered. The major factors requiring consideration are the supply and demand conditions, which affect the competitive position of the subject. The subject will be one large multifamily project. I will present information regarding the single family residential market and the regional multifamily market, focusing on the supply and demand conditions in California and the subject's local submarket.

DEMOGRAPHIC ANALYSIS

Demand for additional residential property is a direct function of population change. Residential communities are products of a clearly definable demand relating directly to population shifts. This is the most comprehensive and recent data available, and reflects a population surge away from Paradise as a result of the Camp Fire. It is estimated that the Chico population experienced 10 years of population growth within one quarter following the Camp Fire.

Housing, Population and Household Formation

The following table illustrates the population and household changes for the subject market.

POPULATION			
	1 MILE	3 MILES	5 MILES
2000 Population	5,264	23,465	37,773
2010 Population	5,290	23,602	38,343
2021 Population	2,533	11,672	22,876
2026 Population	1,934	9,032	19,351
Change 2000-2010	0.49%	0.58%	1.51%
Change 2010-2021	(52.12%)	(50.55%)	(40.34%)
Change 2021-2026	(23.65%)	(22.62%)	(15.41%)

Source: Pitney Bowes/Gadberry Group - GroundView®

HOUSEHOLDS			
	1 MILE	3 MILES	5 MILES
2000 Households	2,275	10,210	16,374
2010 Households	2,342	10,595	17,144
2021 Households	1,106	5,091	9,899
2026 Households	831	3,903	8,319
Change 2000-2010	2.95%	3.77%	4.70%
Change 2010-2021	(52.78%)	(51.95%)	(42.26%)
Change 2021-2026	(24.86%)	(23.34%)	(15.96%)

Source: Pitney Bowes/Gadberry Group - GroundView®

Population and households represent basic units of demand in the market. According to the data presented, the neighborhood is expected to experience negative growth in a one, three, and five-mile radius.

Income Distributions

Household income available for expenditure on housing and other consumer items is a primary factor in determining the price/rent level of housing demand in a market area. In the case of this study, a projection of household income identifies the market from which the subject submarket draws. The following table illustrates estimated household income distribution for the neighborhood.

INCOME			
	1 MILE	3 MILES	5 MILES
2021			
Average Household Income	\$60,594	\$66,487	\$71,006
Median Household Income	\$51,813	\$55,243	\$53,035
Per Capita Income	\$28,689	\$30,069	\$31,212
2026			
Average Household Income	\$67,720	\$78,325	\$86,151
Median Household Income	\$57,646	\$64,782	\$63,562
Per Capita Income	\$32,194	\$35,514	\$37,794

Source: Pitney Bowes/Gadberry Group - GroundView®

2021 HOUSEHOLDS BY INCOME			
	1 MILE	3 MILES	5 MILES
<\$15,000	14.6%	13.8%	13.3%
\$15,000-\$24,999	12.1%	9.8%	10.5%
\$25,000-\$34,999	14.6%	11.1%	10.1%
\$35,000-\$49,999	7.1%	10.9%	13.6%
\$50,000-\$74,999	25.1%	21.3%	19.1%
\$75,000-\$99,999	10.0%	13.8%	14.5%
\$100,000-\$149,999	12.8%	13.7%	11.9%
\$150,000-\$199,999	2.2%	3.7%	2.9%
\$200,000 or greater	1.5%	1.9%	4.2%

Source: Pitney Bowes/Gadberry Group - GroundView®

An analysis of the income data indicates that the market is generally comprised of lower to middle income economic cohort groups. The subject is in a secondary market, which has improved over the last two years. Housing in this submarket is affordable relative to the greater Northern California area, and this has stimulated some new housing activity.

Outlook

Based on the preceding analysis, the immediate area surrounding the subject is projected to experience a decrease in households, and population.

OVERVIEW OF THE CALIFORNIA HOUSING MARKET

The following update is from the California Association of Realtors, www.car.org, as of April 4, 2022. A full report is included in the addendum.

The latest housing market as well as economic data is holding up well and a strong job market is helping households shoulder the worsening burden of rising prices. With consumers having to pay almost 25% more for their monthly housing cost this year than last year, and having their incomes stifled by inflation, purchasing a home is getting tougher financially for many buyers. Despite this apprehension, home sales have remained strong up to this point. Housing supply also seemed to have improved, with construction spending climbing, while inventory of existing homes continued to head in the right direction. Concerns for the risk of a recession next year, however, continue to mount, as the recent yield curve inversion signals a drag on the economic growth, possibly due the Fed's aggressive rate hikes in the near future. It can only be said that we are on precarious footing now more than we had been in the last 6 months.

Mortgages rates accelerate in March as homebuyers rush to lock in: The average 30-year fixed-rate mortgage (FRM) interest continued to surge and reached 4.67% this past week, the highest level in over three

years. The quarter-of-a percent increase from last week's 4.42% has the 30-year mortgage rates on a breakneck pace to reach the 5% mark, a level not seen since February 2011.

Inflation's toll evident in real spending decline: February marked the seventh straight month in which inflation outpaced income, raising doubts about the resilience in consumer spending. Consumer spending was only up 0.2% in February from the prior month but spending after inflation adjustment actually fell 0.4%. Inflation continues to be the top threat to consumer's purchasing power. Despite stronger wage growth in the past year, higher inflation continues to push real disposable income below its pre-pandemic level with inflation likely to remain elevated in the upcoming months. The deterioration in the purchasing power presents a real concern to the economic growth for the next couple years.

Consumer confidence is holding up despite worsening headwinds: Rising price, especially at the gas pump, and the war in Ukraine were listed as top factors that weigh down on consumers expectations, with the expectation index falling to 76.6 in March from 80.8 the month prior. Despite these challenges, consumers' confidence in general inched up to 107.2 in March from a downwardly revised level of 105.7 in February, mostly due to an improvement in the labor market. The share of consumers seeing jobs as plentiful has never been higher in over 50 years.

Job openings near all-time high but hires looked to be topped out: The number of job openings in February declined to 11.27M from an upwardly revised 11.28M in January. While the rate of jobs available dipped slightly from the previous month, it remained near its all-time high, an indication that the exceptionally strong demand for workers will likely continue. The latest employment report reflects a similar trend, with 431k jobs in March, pushing unemployment to a new low of 3.6%. Vacancies saw very little change in the past few months, however, a signal that employers' hiring spree may be losing steam. That said, with plenty of job availability, the tight labor market will continue to put upward pressure on wages in the upcoming months.

Construction industry continues to cut through material and labor headwinds: Total construction spending rose 0.5% during February over the previous month. The \$1.7 trillion seasonally adjusted and annualized pace of spending reached during the month represents an 11.2% yearly gain. Total spending is now up 13.5% compared to level observed just before the pandemic. Most of the overall monthly increase occurred in residential spending, which rose 1.1% during the month. New residential development continues to be driven by a historic shortfall of existing homes for sale and robust buyer demand. Though, sharply higher mortgage rates in recent weeks may have taken some wind out of residential sales in coming months.

As shown, Butte County is currently a strong market with typical seasonal sales fluctuations. Recent strength in the housing market appears to now be subsiding. Sale prices have been exceeding asking prices since October 2018. This trend has now declined and appears to have returned to a more traditional level. This trend likely reflected a one-time population surge brought on by the Camp Fire, with a substantial portion of the Paradise population relocating to Chico,.

Demand

Home prices in the subject's zip code peaked in 2006 and steadily declined to the middle of 2012. Area home prices subsequently increased significantly, and this trend is projected to continue through 2022. The following graph is from the Zillow.com, a residential property data service. The graph shows the historical sales price for all single family homes by year. According to Zillow, the median home value in Paradise is \$323,734. Paradise home values have increased 16.6% over the past year.

95969 Market Overview

Data through Feb 28, 2022

\$323,734 ZHVI

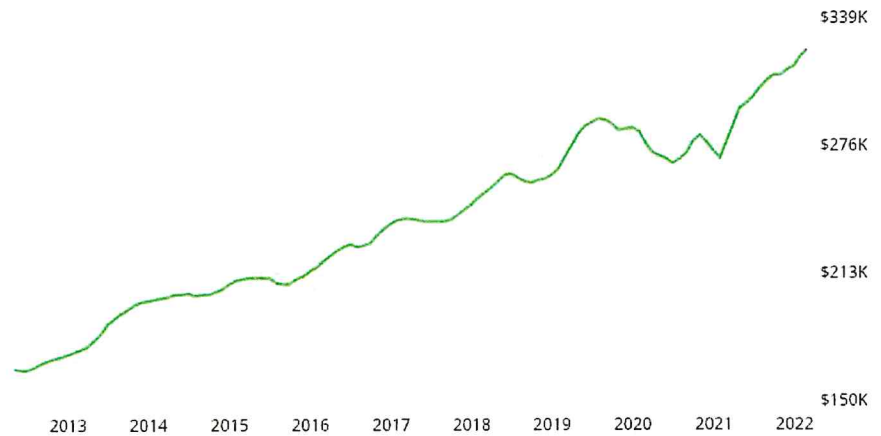
No data 1-yr forecast

Zillow Home Value Index

All homes

1-yr 5-yr Max

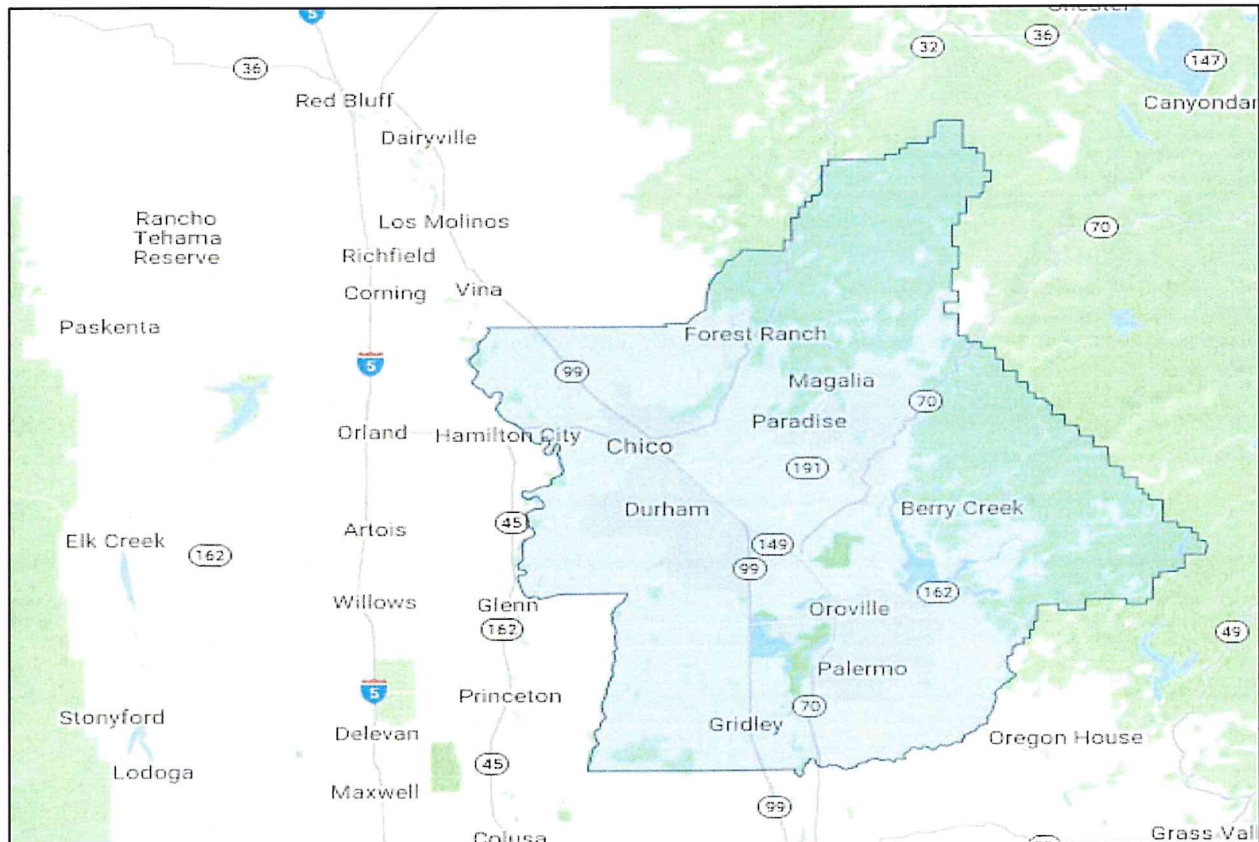
Feb 2022 95969 \$323K



CHICO APARTMENT MARKET

REIS, Inc., a specialist in market research for multi-family, the subject is located in the Chico metropolitan division. The following graphic illustrates the subject's location within its market area.

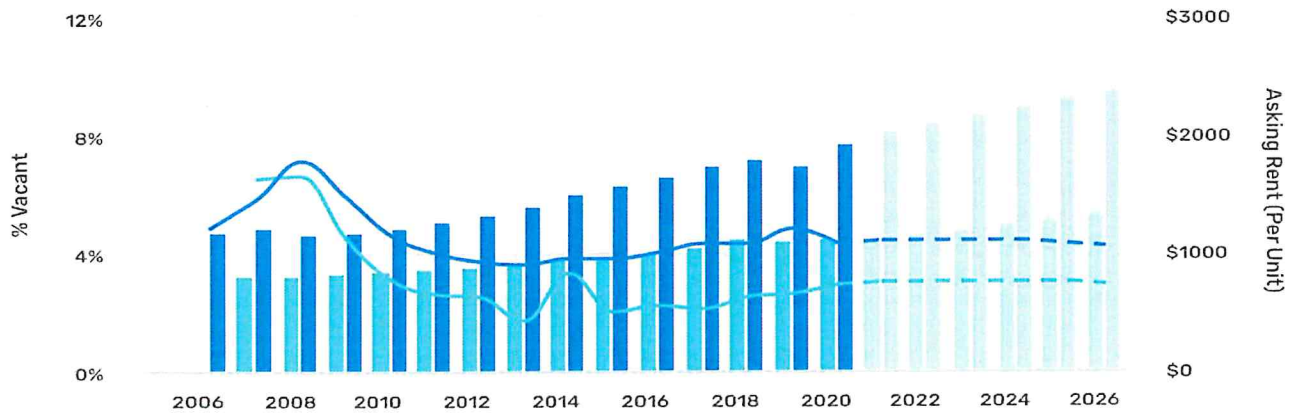
Map of Chico Metro Area – Including Paradise



Asking Rent and Vacancy Trends

The following chart compares the apartment rent growth in the Chico Metro to the West Region.

Asking Rent and Vacancy Trends



● Chico Asking Rent ● Western Region Asking Rent — Chico Vacancy — Western Region Vacancy

Year	Chico		Western Region	
	Asking Rent Per Unit	% Vacant	Asking Rent Per Unit	% Vacant
2007	-	-	\$1,190	4.8%
2008	\$823	6.5%	\$1,221	5.8%
2009	\$826	6.6%	\$1,172	7.1%
2010	\$836	4.5%	\$1,185	5.9%
2011	\$853	3.1%	\$1,220	4.6%
2012	\$871	2.6%	\$1,270	4.0%
2013	\$896	2.5%	\$1,324	3.7%
2014	\$919	1.7%	\$1,392	3.6%
2015	\$955	3.3%	\$1,503	3.8%
2016	\$973	2.0%	\$1,576	3.8%
2017	\$997	2.2%	\$1,648	4.0%
2018	\$1,048	2.1%	\$1,739	4.3%
2019	\$1,121	2.5%	\$1,807	4.3%
2020	\$1,102	2.6%	\$1,743	4.8%
Q4 2021	\$1,122	2.9%	\$1,935	4.3%
2022	\$1,133	3.0%	\$2,029	4.4%
2023	\$1,162	3.0%	\$2,104	4.4%
2024	\$1,203	3.0%	\$2,178	4.4%
2025	\$1,246	3.0%	\$2,255	4.4%
2026	\$1,291	3.0%	\$2,334	4.3%
2027	\$1,338	2.9%	\$2,417	4.2%

Asking rent growth in the Chico Metro has been steadily increasing and is currently \$149 higher than the 2016-year average asking rent. Additionally, the vacancy for the western region is reported at 4.3% on average and the Chico Metro average is lower at 2.9.

Rent By Unit Mix

The following chart displays a comparison between the metro, western region, and US. Asking rents in the Chico Metro are significantly lower than those in the Western Region and the US in per unit and per SF averages.

PROPERTY & ASSIGNMENT OVERVIEW

CONTINUED

SMF220445

	Inventory		Current Rent	
	Inventory %	Average Size SF	Asking Rent	Asking Rent Per SF
Studio				
Chico	0.0%	0	\$0.00	\$0.00
Western Region	7.6%	537.49	\$1,503.00	\$2.80
United States	5.6%	567.95	\$1,404.00	\$2.47
1 Bedroom				
Chico	37.8%	647.81	\$916.00	\$1.41
Western Region	42.7%	781.71	\$1,756.00	\$2.25
United States	43.2%	814.06	\$1,458.00	\$1.79
2 Bedroom				
Chico	53.2%	921.15	\$1,113.00	\$1.21
Western Region	43.8%	1,080.59	\$2,115.00	\$1.96
United States	44.5%	1,135.03	\$1,755.00	\$1.55
3 Bedroom				
Chico	9.0%	1,219.96	\$1,670.00	\$1.37
Western Region	5.8%	1,362.06	\$2,440.00	\$1.79
United States	6.7%	1,458.16	\$2,163.00	\$1.48

Inventory Detail

The following chart displays the apartment inventory with respect to completions, inventory growth and net absorption, in the Chico Metro.

Year	Quarter	Inventory Per Unit	Completions Per Unit	Inventory % Growth	Vacant Stock In Units	Occupied Stock In Units	Net Absorption In Units
2018	Q1	5,324	0	0.0%	113	5,211	4
2018	Q2	5,324	0	0.0%	106	5,218	7
2018	Q3	5,324	0	0.0%	106	5,218	0
2018	Q4	5,324	0	0.0%	111	5,213	-5
2018	Y	5,324	0	0.0%	111	5,213	6
2019	Q1	5,520	196	3.7%	146	5,374	161
2019	Q2	5,565	45	0.8%	136	5,429	55
2019	Q3	5,609	44	0.8%	144	5,465	36
2019	Q4	5,609	0	0.0%	143	5,466	1
2019	Y	5,609	285	5.4%	143	5,466	253
2020	Q1	5,609	0	0.0%	150	5,459	-7
2020	Q2	5,609	0	0.0%	146	5,463	4
2020	Q3	5,609	0	0.0%	145	5,464	1
2020	Q4	5,609	0	0.0%	146	5,463	-1
2020	Y	5,609	0	0.0%	146	5,463	-3
2021	Q1	5,609	0	0.0%	187	5,422	-41
2021	Q2	5,609	0	0.0%	186	5,423	1
2021	Q3	5,609	0	0.0%	181	5,428	5
2021	Q4	5,609	0	0.0%	165	5,444	16

Chico Metro New Construction

The next table displays top new construction projects data by size for the Chico Metro.

	Proposed	Planned	Under Construction 2022	Under Construction 2023 and Later	Completed 2021	Completed 2022 YTD
Market Rate Rentals	160	-	-	-	-	-
Total	160	0	0	0	0	0

Chico Metro Historical & Projected Data

The next table displays historical and forecasted data for the Chico Metro including inventory growth, vacancy rate, absorption, asking rent levels, and percentage rent change.

Year	Quarter	Asking Rent Per Unit	Asking Rent % Change	% Vacant	% Vacant Change in BPS
2018	Q1	\$1,005	0.8%	2.1%	-10
2018	Q2	\$1,012	0.7%	2.0%	-10
2018	Q3	\$1,033	2.1%	2.0%	0
2018	Q4	\$1,048	1.5%	2.1%	10
2018	Y	\$1,048	5.1%	2.1%	-10
2019	Q1	\$1,072	2.3%	2.6%	50
2019	Q2	\$1,118	4.3%	2.4%	-20
2019	Q3	\$1,121	0.3%	2.6%	20
2019	Q4	\$1,121	0.0%	2.5%	-10
2019	Y	\$1,121	7.0%	2.5%	40
2020	Q1	\$1,120	-0.1%	2.7%	20
2020	Q2	\$1,112	-0.7%	2.6%	-10
2020	Q3	\$1,109	-0.2%	2.6%	0
2020	Q4	\$1,102	-0.7%	2.6%	0
2020	Y	\$1,102	-1.7%	2.6%	10
2021	Q1	\$1,099	-0.3%	3.3%	70
2021	Q2	\$1,103	0.4%	3.3%	0
2021	Q3	\$1,106	0.3%	3.2%	-10
2021	Q4	\$1,122	1.4%	2.9%	-30

Based on the information on the previous page the following is noted:

- Vacancy has remained steady in recent quarters and is currently at 2.9%, which is 0.3% higher than the year-end 2020 percentage of 2.6%.

Asking rents have been generally steady and average \$1,647. The general rent growth trend has been positive in the market over the last several years. Positive rent trends are forecast from 2022-2026.

There are no vacancy or rent surveys for Paradise, but reports from market participants indicate a strong interest from people seeking to return to the area following the Camp Fire, though many of these people are building single family residences. The Community Housing Improvement Program reported their recently opened 35-unit affordable housing project attracted 250 requests for units, and about two thirds of these requests were from returnees. The unfulfilled requests from that project would be sufficient to fill the first phase of the subject's proposed project. The proposed project is targeted to affordable housing, which may also draw tenants who might otherwise be interested in nearby communities. With little to no multifamily competition in Paradise, the subject should attract sufficient demand.

BROKER / MARKET PARTICIPANT INTERVIEWS

Interviews with brokers and other market participants were conducted to put previously discussed trends and data into better context of what is really occurring in the marketplace.

According to the Butte County Assessor's Office, sale transactions in Paradise have been steady over the past six to twelve months for parcels less than 5 acres, and extremely limited for larger properties. David Lenarsik, an appraiser in that office, indicated he was aware of only one Paradise sale of a multifamily site over 5 acres in the last two years (my Comparable 2) but indicated that the office is only current on large land sales back to January of this year. He said he would be surprised to find a land sale for more than \$100,000 per acre, but conceded that parcels over 5 acres in size are very scarce, and that a large and mostly level site might attract

a premium. He also acknowledged some added cost in the subject's assemblage that would not be present for a single parcel of the same size.

Mike Donnelly and Brian Littrell, with Coldwell Banker in Chico, indicated strong multifamily demand in Chico (for both vacant and improved sites). They reported a population surge in Chico following the Camp Fire, when a large portion of the Paradise population relocated to Chico. This surge led to increased housing prices and rents in Chico. While many of those displaced by the fire want to return to Paradise, they have for various reasons been delayed in doing so. Many are awaiting legal settlements with PG&E, some lack sufficient resources to rebuild even with an insurance settlement, and a lot of folks are still taking a wait and see approach. Regarding the proposed project, they felt that increasing rents and housing prices in Chico may drive some folks to return to Paradise; particularly, if they meet the affordable housing requirements. They had no opinion on the merit of building a market rate multifamily project in Paradise.

Most land sales activity is being seen from regional and local buyers. Owner user properties are currently in greatest demand, primarily from individuals seeking to return to the area following the Camp Fire. Again, smaller sites are plentiful, while sites over 5 acres in size are extremely limited and reportedly in high demand. Based on these factors, conditions for large sites favor sellers in negotiating sale terms. Marketing periods are ranging from 1 to 6 months, with an average of approximately 3 months.

Pricing for this property type generally ranges from \$70,000 to \$100,000 per acre for multifamily sites up to about 5 acres, and from \$60,000 to \$150,000 for multifamily sites greater than 5 acres. Finally, the most typical sales commission for this property type is 5% to 6% of the sale price.

TRANSACTION TRENDS

There is currently steady buyer demand for substitute properties of the subject based on reports by market participants.

Based on the preceding analysis, there is an established sales market. The velocity of sale transactions has been steady for sites under 5 acres in size, and extremely limited for larger properties. Currently there is strong buyer demand, while there is very limited availability for large multifamily sites on the supply side. Based on these factors, conditions favor sellers in negotiating sale terms. One of the greatest observed strengths of this asset type is strong single and multifamily residential demand. The greatest observed weakness of this asset type is the uncertain future for the Town of Paradise. Development is occurring, though sporadically, and there has yet to be a critical mass of people returning to the area to catalyze a boom in development.

SUBJECT PROPERTY ANALYSIS

The subject is a Land (Multi-Family Land) asset with a total area of 23.97-acres. The market classifies the subject as a large investment property. The subject consists of seven parcels: two parcels of 4.70-acres under one ownership, and five parcels of 19.27-acres under another ownership. All of these parcels are zoned to allow for proposed multifamily development. The most notable physical strength of the subject is its appealing site size and generally level topography. Investors would be most attracted to the subject due to its low multifamily market vacancy rate.

The most notable physical weakness of the subject is its challenging Paradise location. The community is slowly rebuilding from the Camp Fire, but it has yet to achieve a critical mass of households or employers to trigger rapid commercial development. Yet, there is reportedly a strong response from people seeking to return to Paradise.

Based on my analysis, the subject has good overall appeal due to its size and generally level topography, and given the scarcity of large multifamily sites, it has a strong competitive position.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys. The following table summarizes the information that was taken into consideration to develop an estimate of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD				
SOURCE	QUARTER	RANGE		AVG
Market Participant	2Q 22	1.0 to	6.0	3.0
Comparable Sales Dataset		3.0 to	4.0	3.3
AVERAGE		2.0 to	5.0	3.2

The preceding information generally supports an exposure time range from 1 to 6 months for Land (Multi-Family Land) properties. The availability of acquisition financing also factors into exposure time and marketing period. My review of the local capital market indicate that adequate financing options would have been available to consummate a sale of the subject on the date of value. The exposure and marketing time conclusions consider that Paradise is still recovering from the Camp Fire and that the proposed sewer system is still about one year away.

Exposure Time Conclusion

9 To 12 Months

Marketing Period Conclusion

9 To 12 Months

HIGHEST AND BEST USE ANALYSIS

This section develops the highest and best use of the subject property as-vacant and as-improved. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive.

As-Vacant Analysis

Permitted uses of the subject's Community Service (CS) zoning were listed in the Zoning Analysis section. Regarding physical characteristics, the subject site is irregular in shape and has generally level topography with average access and average exposure. The subject site has frontage on an arterial. The immediate area is sparsely developed with some office and retail uses along major arterials that is sparsely interspersed with multi-family complexes and single-family residential development removed from arterials. Based on my observations of land development trends for sites with similar zoning and physical characteristics as the subject and analysis of current supply/demand trends, the highest and best use of the subject site as-vacant is development of a commercial project as market conditions warrant.

VALUATION METHODS

The following presentation of the appraisal process deals directly with the valuation of the subject property. The paragraphs below describe the standard approaches to value that were considered for this analysis.

Income Approach

The two fundamental methods of this valuation technique include Discounted Cash Flow and Direct Capitalization.

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Income Approach is not a specific scope requirement of this assignment. The subject is land, and typically buyers and sellers of this property type seldom place weight on the Income Approach. Based on the preceding information, the Income Approach will not be presented.

Sales Comparison Approach

Characteristics specific to the subject property warrant that this valuation technique is developed. Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

Land Valuation

Characteristics specific to the subject property warrant that a site value is developed. Development of the subject site value is a specific scope requirement of this assignment. Within the Site Valuation section, the subject is valued as one marketable economic site. It is also valued as two separate components, as a 4.70 acre site and as a 19.23 acre site.

Cost Approach

Characteristics specific to the subject property do not warrant that this valuation technique is developed. Development of the Cost Approach is not a specific scope requirement of this assignment. Based on the preceding information, the Cost Approach will not be presented.

Reconciliation of Value Conclusions

The Sales Comparison. approaches are used to value the subject property, which will be reconciled into the final opinion of market value in the Analysis of Value Conclusions section.

LAND VALUATION – 19.27-ACRE COMPONENT

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. The most relevant unit of comparison is the price per acre, since it best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning. A thorough search was made for similar land sales in proximity to the subject, size, location, development potential, and date of sale.

Generally, single family residential lots are selling from \$45,000 to \$80,000. There are currently over 100 listings of residential lots, with asking prices that range from \$15,000 for a small site (0.10 to 0.15 acre), up to \$150,000 for a multiple acre rural residential site.

There is only one large multifamily site currently on the market (Comparable 5). There is one small multifamily site that is pending: 1137 Noffsinger Lane, 3.02 acres, asking \$300,000 or about \$99,338 per acre. There is one small multifamily listing: 6154 Lucky John Road, 1.6 acres, asking \$420,000 or about \$262,500 per acre.

For valuing this component, I have selected two small sites and one large site in Chico, and two large sites in Paradise. Data for large residential sites is extremely limited. Overall, the sales selected represent the best data available for this analysis.

Adjustment Process

The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments including property rights transferred, financing terms, conditions of sale, expenditures after purchase such as demolition costs and market conditions. The following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	April 2022	(As-Is)	0%

The market has exhibited value stability during the time from the oldest sale date up through the effective valuation date; therefore, a market conditions adjustment is not warranted.

COVID-19 Adjustment

I am applying no Covid 19 adjustment.

Property Adjustments

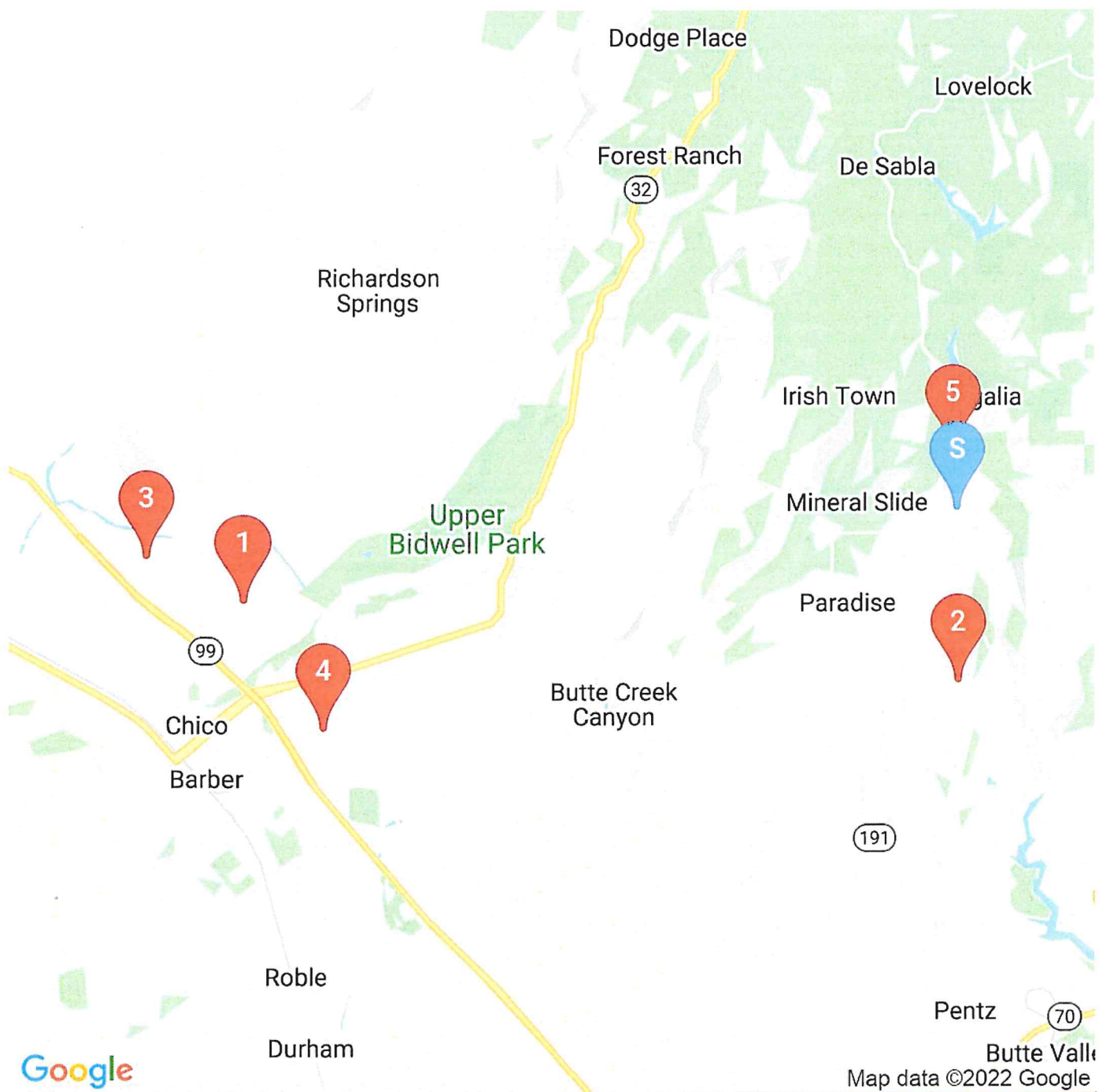
Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. The adjustments are subjective in nature and are meant to illustrate my logic in deriving a value opinion for the subject site.

Presentation

The following Land Sales Summation Table, Location Map and plat maps summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Cypress Phase I & II	Payne Property	Saw mill Estates	Tatreau Property	Bungalow Commons	Mixed Use Site
Address	1620 Cypress Lane	1367 East Ave	5247 Edgewood Ln	2912 Morseman Ave	1701 Notre Dame Blvd	9189 Skyway
City	Paradise	Chico	Paradise	Chico	Chico	Paradise
State	CA	CA	CA	CA	CA	CA
Zip	95969	95926	95969	95973	95928	95969
County	Butte	Butte	Butte	Butte	Butte	Butte
APN	050-140-155	015-440-015; -047	054-201-047-000	007-320-037-000	002-180-167-000	050-011-001, 012, 013, 031
PHYSICAL INFORMATION						
Acres	10.40	3.81	22.60	3.03	14.75	22.64
SF	453,024	165,964	984,456	131,987	642,510	986,198
Density (Units/AC)	14.00	3.1	2.0	8.3	2.9	2.3
Shape	Irregular	L-shaped	Irregular	Generally	Irregular	Irregular
Zoning	CS	Residential	TR 1/2	R-2	PD	CC
Flood Zone	Zone X	X (Unshaded)	X	X	X	X
Corner	No	No	No	No	No	No
Topography	Generally Level	Level	Gentle Slope	Level	Generally Level	Slope
SALE INFORMATION						
Date		2/6/2019	12/15/2021	2/28/2022	9/20/2019	4/12/2022
Status		Recorded	Recorded	Recorded	Recorded	Listing
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$765,000	\$1,400,000	\$420,000	\$2,232,000	\$2,300,000
Analysis Price		\$765,000	\$1,400,000	\$420,000	\$2,232,000	\$2,300,000
\$/Acre		\$200,787	\$61,947	\$138,614	\$151,322	\$101,590

LAND SALES LOCATION MAP

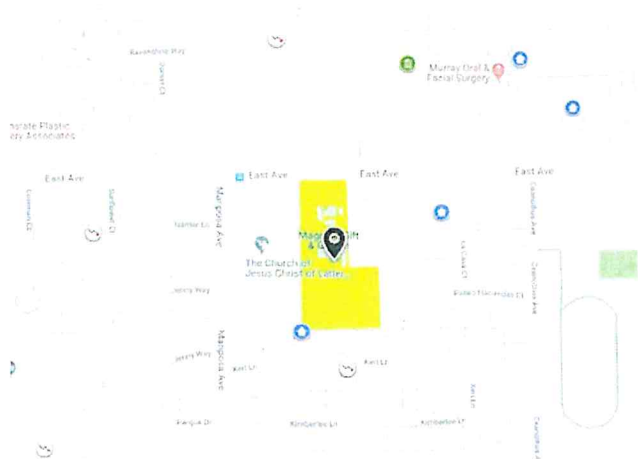


Map data ©2022 Google

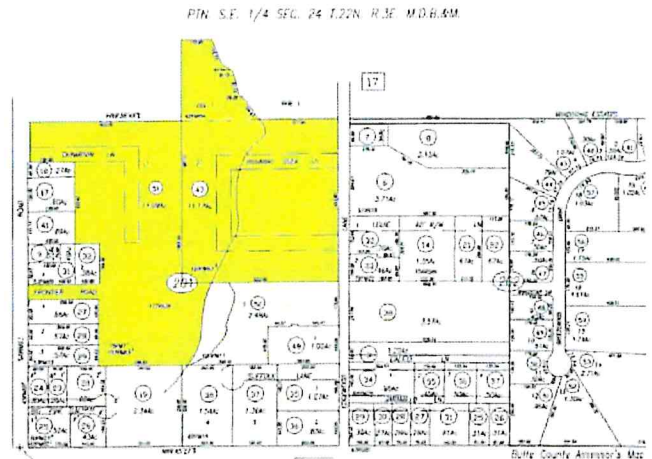
COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/ACRE
SUBJECT	-	1620 Cypress Lane, Paradise, CA	-	24.0	1,044,134	\$122,000
No. 1	12.7 Miles	1367 East Ave, Chico, CA	2/6/2019	3.8	165,964	\$200,787
No. 2	3.1 Miles	5247 Edgewood Ln, Paradise, CA	12/15/2021	22.6	984,456	\$61,947
No. 3	14.3 Miles	2912 Morseman Ave, Chico, CA	2/28/2022	3.0	131,987	\$138,614
No. 4	11.9 Miles	1701 Notre Dame Blvd, Chico, CA	9/20/2019	14.8	642,510	\$151,322
No. 5	1.0 Miles	9189 Skyway, Paradise, CA	4/12/2022	22.6	986,198	\$101,590

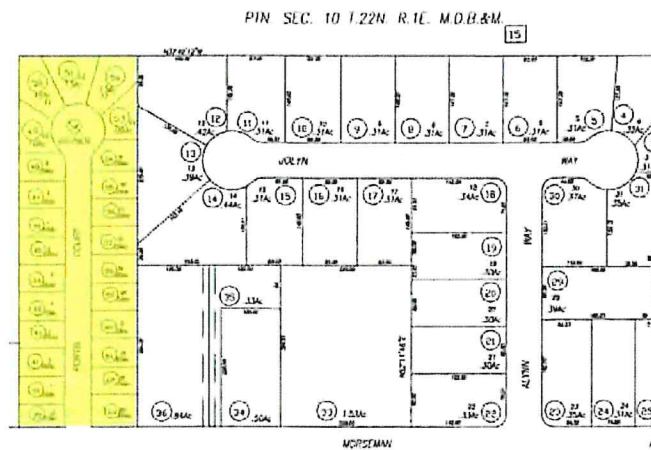
LAND SALES EXHIBITS



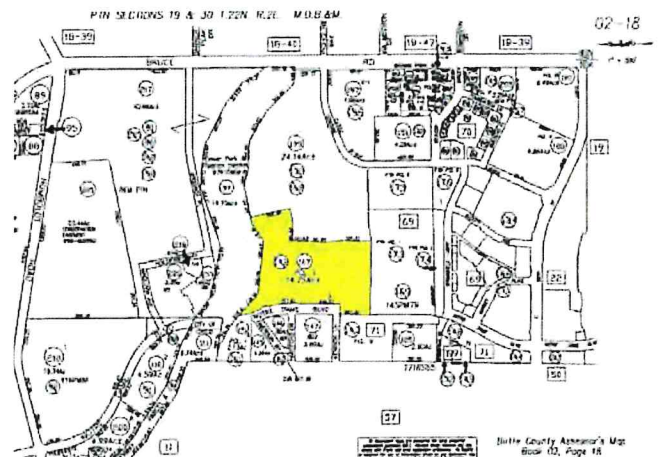
COMPARABLE 1



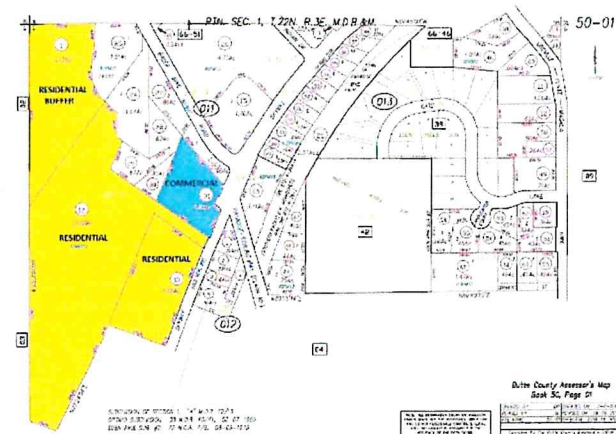
COMPARABLE 2



COMPARABLE 3



COMPARABLE 4



COMPARABLE 5

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Cypress Phase I & II	Payne Property	Saw mill Estates	Tatreau Property	Bungalow Commons	Mixed Use Site
Address	1620 Cypress Lane	1367 East Ave	5247 Edgewood Ln	2912 Morseman Ave	1701 Notre Dame Blvd	9189 Skyway
City	Paradise	Chico	Paradise	Chico	Chico	Paradise
APN	050-140-155	015-440-015; -047	054-201-047-000	007-320-037-000	002-180-167-000	050-011-001, 012, 013,
Acres	10.40	3.81	22.60	3.03	14.75	22.64
SF	453,024	165,964	984,456	131,987	642,510	986,198
Density (Units/AC)	14.0 : 1	3.1 : 1	2.0 : 1	8.3 : 1	2.9 : 1	2.3 : 1
Shape	Irregular	L-shaped	Irregular	Generally	Irregular	Irregular
Zoning	CS	Residential	TR 1/2	R-2	PD	CC
Corner	No	No	No	No	No	No
Topography	Generally Level	Level	Gentle Slope	Level	Generally Level	Slope
Sewer District	No	Yes	No	Yes	Yes	No

SALE INFORMATION

Date	2/6/2019	12/15/2021	2/28/2022	9/20/2019	4/12/2022
Status	Recorded	Recorded	Recorded	Recorded	Listing
Rights Transferred	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price	\$765,000	\$1,400,000	\$420,000	\$2,232,000	\$2,300,000
Price/Acre	\$200,787	\$61,947	\$138,614	\$151,322	\$101,590

TRANSACTIONAL ADJUSTMENTS

Property Rights	0%	0%	0%	0%	0%
Conditions of Sale	0%	0%	0%	0%	-5%
Financing	0%	0%	0%	0%	0%
Expenditures After the Sale	0%	0%	0%	0%	0%
Market Conditions¹	0%	0%	0%	0%	0%
Subtotal Transactional Adj Price	\$200,787	\$61,947	\$138,614	\$151,322	\$96,511

PROPERTY ADJUSTMENTS

Location	-10%	0%	-10%	-10%	0%
Size	-10%	10%	-10%	0%	10%
Exposure	0%	0%	0%	0%	0%
Access	0%	0%	0%	0%	0%
Shape	0%	0%	0%	0%	0%
Utility Access	-10%	0%	-10%	-10%	0%
Zoning/Density	10%	15%	10%	0%	10%
Corner	0%	0%	0%	0%	0%
Topography	0%	0%	0%	0%	10%
Subtotal Property Adjustment	-20%	25%	-20%	-20%	30%

TOTAL ADJUSTED PRICE	\$160,630	\$77,434	\$110,891	\$121,058	\$125,464
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STATISTICS	UNADJUSTED	ADJUSTED
LOW	\$61,947	\$77,434
HIGH	\$200,787	\$160,630
MEDIAN	\$138,614	\$121,058
AVERAGE	\$130,852	\$119,095

¹ Market Conditions Adjustment: 0%

Date of Value (for adjustment calculations): 4/8/22

LAND SALES ANALYSIS

Transactional Adjustments – The market conditions and Covid-19 adjustments were previously discussed. Comparable 5 was adjusted downward in anticipation of a sale for less than the asking price. It has been on the market for 3 months.

Location – Comparable 1, 3 and 4 were adjusted downward for superior Chico locations.

Size – Larger properties tend to sell for less per acre than smaller properties. Hence, Comparable 2 and 5 were adjusted upward for larger size, and Comparable 1 and 3 were adjusted downward for smaller size. Given the scarcity of large property sales, I have also considered these transactions without size adjustments, and found it doesn't alter my overall conclusion.

Exposure – No adjustments required.

Access – No adjustments required.

Shape – No adjustments required.

Utility Access – Comparable 1, 3 and 4 were adjusted downward for superior utility access.

Zoning/Density – Comparable 1, 2, 3 and 5 were adjusted upward for inferior zoning. This adjustment is based on the allowed development density.

Corner – No adjustments required.

Topography – Comparable 5 was adjusted upward for inferior topography. A small portion of the site is generally level and along Skyway, with the bulk of the site is heavily wooded and sloping upward and away from the road.

CALCULATION OF LAND VALUE

The comparable land sales indicate an adjusted value range from \$77,434 to \$160,630/Acre, with a median of \$121,058/Acre and an average of \$119,095/Acre. Based on the results of the preceding analysis, Comparable 1 (\$160,630/Acre adjusted), Comparable 3 (\$110,891/Acre adjusted), Comparable 4 (\$121,058/Acre adjusted) and Comparable 5 (\$125,464/Acre adjusted) are given primary consideration for the subject's opinion of land value.

These transactions vary widely based on the particulars of each anticipated development project. The subject's 19.23 acre component is pending sale for \$2,500,000 or about \$129,500, which is within the indicated range of value, but above my central indications and above the large parcel indications from Paradise.

For my analysis, I have valued the four Paradise Investment parcels less than 5 acres in size, discounted them for assemblage (based on the practice of market participants) and added the value of the 10.4 acre parcel and the contributory value of the septic leach field. This produces a value of \$2,230,000 for the 19.27 acre component. The purchase price does not reflect a discount for assemblage, and may reflect some upside value in using its leach field should the property be joined to the proposed sewer district.

I was also asked to provide a value for the overall site of 23.97 acres, which sums the 4.7 acre and 19.27 acre components, or \$2,700,000. For comparison, the pending and combined purchase price is \$2,950,000 (\$2,500,000 for 19.27 acres, and \$450,000 for 4.70 acres). The 4.7 acre component and the four Paradise Investment parcels are valued ahead.

The following table summarizes the analysis of the comparables, reports the reconciled price per acre value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE								
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$200,787	0%	\$200,787	-20%	\$160,630	-20%	40%	PRIMARY
2	\$61,947	0%	\$61,947	25%	\$77,434	25%	25%	SECONDARY
3	\$138,614	0%	\$138,614	-20%	\$110,891	-20%	40%	PRIMARY
4	\$151,322	0%	\$151,322	-20%	\$121,058	-20%	20%	PRIMARY
5	\$101,590	-5%	\$96,511	30%	\$125,464	23%	35%	PRIMARY
LOW	\$77,434					AVERAGE		\$119,095
HIGH	\$160,630					MEDIAN		\$121,058
COMPONENT		SUBJECT ACRES		\$/ACRE CONCLUSION			VALUE	
TOTAL PROPERTY		10.40	x	\$122,000	=		\$1,270,000	
Paradise Investment Property (4 Parcels)							\$920,000	
10% Discount for Assemblage							(\$92,000)	
Value to Septic System Leach Field							\$200,000	
Paradise Investment Property		19.27	x	\$122,000	=		\$2,300,000	
California Vocations Property		4.70	x	\$100,000	=		\$470,000	
TOTAL ADJUSTED VALUE		23.97					\$2,770,000	

¹Cumulative ²Additive

Rounded to nearest \$10,000

INTRODUCTION – 4.70 ACRE COMPONENT

Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per acre. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

COMPARABLE SELECTION

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transitional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on my research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT

Per Year As Of	April 2022	(As-Is)	0%
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The market has exhibited value stability during the time from the oldest sale date up through the effective valuation date; therefore, a market conditions adjustment is not warranted.

COVID-19 Adjustment

I am applying no Covid 19 adjustment.

Property Adjustments

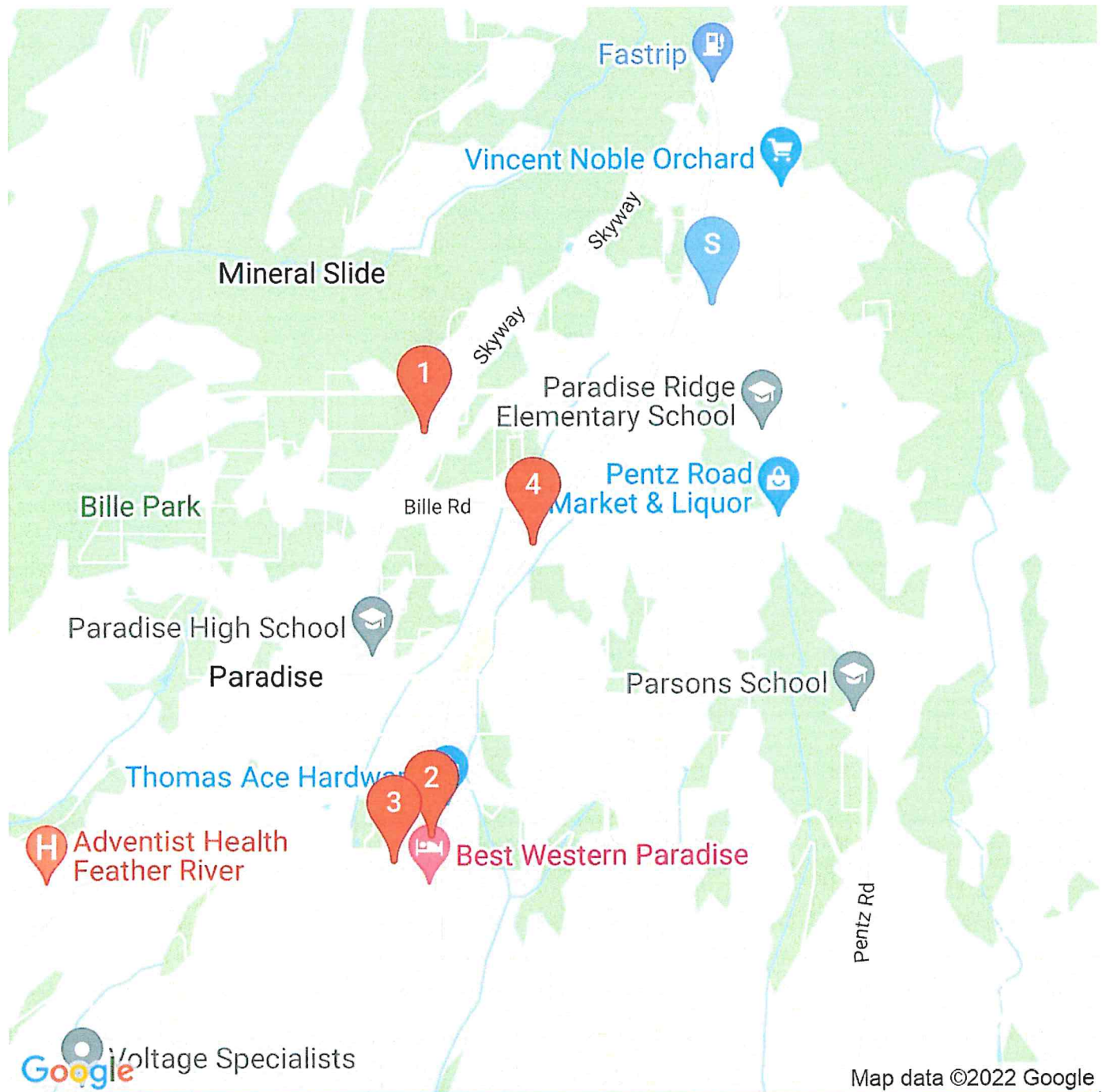
Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. The adjustments are subjective in nature and are meant to illustrate my logic in deriving a value opinion for the subject site.

PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE					
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Name	Cypress Phase I & II	Mahoney Property	Commercial Land	Mahoney Capital Property	F & B Holdings
Address	1620 Cypress Lane	7974 Skyway	1085 Buschmann Rd	998 Bella Vista Ave	6312 Clark Rd
City	Paradise	Paradise	Paradise	Paradise	Paradise
State	CA	CA	CA	CA	CA
Zip	95969	95969	95969	95969	95969
County	Butte	Butte	Butte	Butte	Butte
APN	050-140-053, 162	051-153-008, 013	054-050-20	054-100-017-000	053-012-023-000
PHYSICAL INFORMATION					
Acres	4.70	2.76	1.58	2.06	2.70
SF	204,732	120,226	68,825	89,734	117,612
Shape	Irregular	Irregular	Generally	Irregular	Irregular
Site Utility Rating	Average	Average	Average	Average	Average
Zoning	CS	C2	CC	R3	CC
Flood Zone	Zone X	X	X	X	X
Corner	No	No	Yes	No	No
Topography	Generally Level	Sloping and Level	Mild Slope	Generally Level	Generally Level
SALE INFORMATION					
Date		4/23/2021	7/6/2020	12/28/2020	5/24/2021
Status		Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$275,000	\$200,000	\$190,000	\$400,000
Analysis Price		\$275,000	\$200,000	\$190,000	\$400,000
\$/Acre		\$99,638	\$126,582	\$92,233	\$148,148

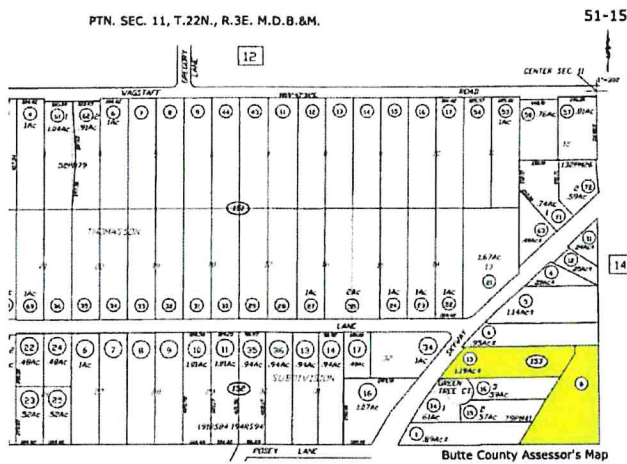
LAND SALES LOCATION MAP



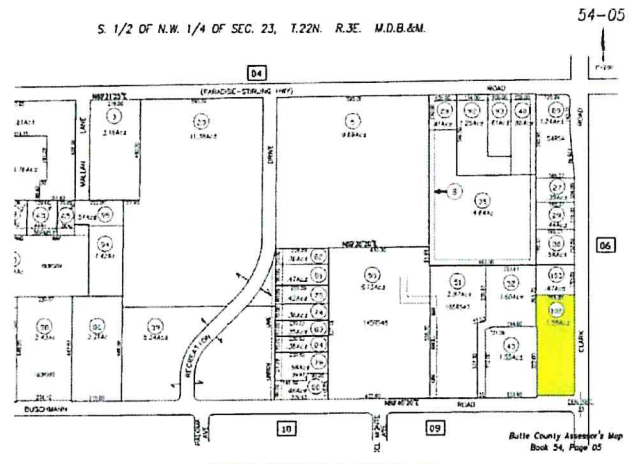
COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/ACRE
SUBJECT	-	1620 Cypress Lane, Paradise, CA	-	24.0	1,044,134	\$95,000
No. 1	1.4 Miles	7974 Skyway, Paradise, CA	4/23/2021	2.8	120,226	\$99,638
No. 2	2.6 Miles	1085 Buschmann Rd, Paradise, CA	7/6/2020	1.6	68,825	\$126,582
No. 3	2.8 Miles	998 Bella Vista Ave, Paradise, CA	12/28/2020	2.1	89,734	\$92,233
No. 4	1.3 Miles	6312 Clark Rd, Paradise, CA	5/24/2021	2.7	117,612	\$148,148

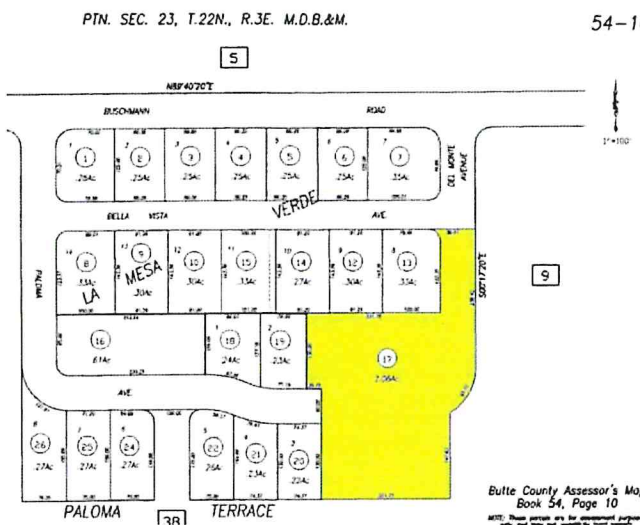
LAND SALES EXHIBITS



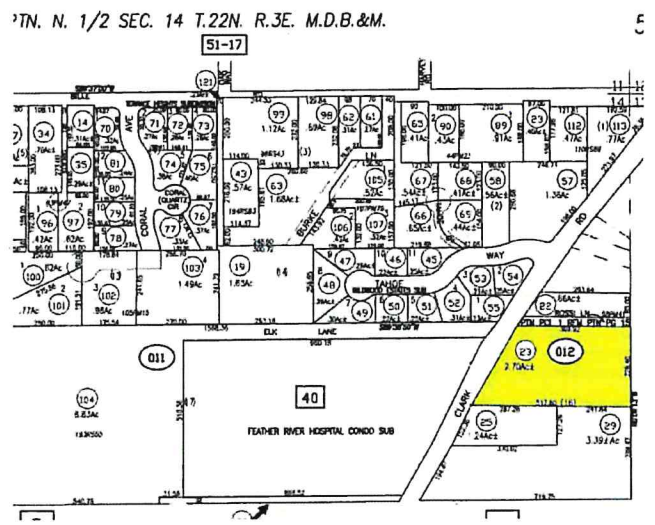
COMPARABLE 1



COMPARABLE 2



COMPARABLE 3



COMPARABLE 4

LAND SALES ADJUSTMENT TABLE					
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4
Name	Cypress Phase I & II	Mahoney Property	Commercial Land	Mahoney Capital Property	F & B Holdings
Address	1620 Cypress Lane	7974 Skyway	1085 Buschmann Rd	998 Bella Vista Ave	6312 Clark Rd
City	Paradise	Paradise	Paradise	Paradise	Paradise
APN	050-140-053, 162	051-153-008, 013	054-050-20	054-100-017-000	053-012-023-000
Acres	4.70	2.76	1.58	2.06	2.70
SF	204,732	120,226	68,825	89,734	117,612
Shape	Irregular	Irregular	Generally Rectangular	Irregular	Irregular
Zoning	CS	C2	CC	R3	CC
Corner	No	No	Yes	No	No
Topography	Generally Level	Sloping and Level	Mild Slope	Generally Level	Generally Level
Sewer District	No	Yes	Yes	No	Yes
SALE INFORMATION					
Date		4/23/2021	7/6/2020	12/28/2020	5/24/2021
Status		Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$275,000	\$200,000	\$190,000	\$400,000
Price/Acre		\$99,638	\$126,582	\$92,233	\$148,148
TRANSACTIONAL ADJUSTMENTS					
Property Rights		0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%
Financing		0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%
Market Conditions ¹		0%	0%	0%	0%
Subtotal Transactional Adj Price		\$99,638	\$126,582	\$92,233	\$148,148
PROPERTY ADJUSTMENTS					
Location		0%	0%	0%	0%
Size		0%	-10%	-5%	0%
Exposure		0%	0%	0%	0%
Access		0%	0%	0%	0%
Shape		0%	-5%	0%	0%
Utility Access		-10%	-10%	0%	-10%
Zoning/Density		0%	0%	0%	0%
Corner		0%	-5%	0%	0%
Topography		10%	5%	0%	0%
Subtotal Property Adjustment		0%	-25%	-5%	-10%
TOTAL ADJUSTED PRICE		\$99,638	\$94,937	\$87,621	\$133,333
STATISTICS	UNADJUSTED	ADJUSTED			
LOW	\$92,233	\$87,621			
HIGH	\$148,148	\$133,333			
MEDIAN	\$113,110	\$97,287			
AVERAGE	\$116,650	\$103,882			

¹ Market Conditions Adjustment: 0%

Date of Value (for adjustment calculations): 4/8/22

LAND SALES ANALYSIS

Transactional Adjustments – The market conditions and Covid-19 adjustments were previously discussed.

Location – No adjustments required.

Size – Larger properties tend to sell for less per acre than smaller properties. This holds true in Paradise for properties less than 5 acres in size. Hence, Comparable 2 and 3 were adjusted downward for smaller size.

Exposure – No adjustments required.

Access – No adjustments required.

Shape – Comparable 2 was adjusted downward for superior shape.

Utility Access – Comparable 1, 2 and 4 were adjusted downward for being within the sewer district.

Zoning/Density – No adjustments required. Each of these site allow for similar density construction.

Corner – Comparable 2 was adjusted downward for superior corner location.

LAND VALUE CONCLUSION

The comparable land sales indicate an adjusted value range from \$87,621 to \$133,333/Acre, with a median of \$97,287/Acre and an average of \$103,882/Acre. Based on the results of the preceding analysis, Comparable 1 (\$99,638/Acre adjusted), Comparable 2 (\$94,937/Acre adjusted), and Comparable 3 (\$87,621/Acre adjusted) are given primary consideration for the subject's opinion of land value. I have also considered a pending, but unconfirmed sale, of a 3.02 acre site at 1137 Noffsinger Lane for \$300,000 or about \$99,338 per acre.

This 4.70 acre component is pending sale for \$450,000 or about \$95,000 per acre. This is within the range of the data and supported by my analysis. However, the pending sale is somewhat dated and part of the negotiations for the overall project. I am concluding near the middle of the indicated range. I have also concluded separate values for each of the Paradise Investment four parcels that are less than 5 acres. The total value of these parcels is carried back to the valuation of the larger 10.4 acre parcel to conclude a value for the 19.37 acre component, as well as the total property value.

The following table summarizes the analysis of the comparables, reports the reconciled price per acre value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE								
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$99,638	0%	\$99,638	0%	\$99,638	0%	20%	PRIMARY
2	\$126,582	0%	\$126,582	-25%	\$94,937	-25%	35%	PRIMARY
3	\$92,233	0%	\$92,233	-5%	\$87,621	-5%	5%	PRIMARY
4	\$148,148	0%	\$148,148	-10%	\$133,333	-10%	10%	SECONDARY
LOW	\$87,621					AVERAGE		\$103,882
HIGH	\$133,333					MEDIAN		\$97,287
COMPONENT		SUBJECT ACRES		\$/ACRE CONCLUSION		VALUE		
TOTAL PROPERTY		4.70	x	\$100,000	=	\$470,000		
050-140-050		2.00		\$110,000		\$220,000		
050-140-151		3.41		\$100,000		\$340,000		
050-140-160		2.53		\$100,000		\$250,000		
050-140-161		0.93		\$120,000		\$110,000		
Paradise Investment Property (4 Parcels)						\$920,000		

¹Cumulative ²Additive

Rounded to nearest \$10,000

RECONCILIATION OF VALUE CONCLUSIONS

The Analysis of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. The following table summarizes the opinions of the As-Is Market Value of the subject property's fee simple interest.

Based on the overall quality of the data and analyses, and considering the decision-making process of the typical buyer profile of the subject asset, primary emphasis was placed on the Sales Comparison Approach, which is reflected in my final opinion of market value below.

My opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

ANALYSIS OF VALUE CONCLUSIONS		
VALUATION INDICES		AS-IS MARKET VALUE
INTEREST APPRAISED		FEE SIMPLE
DATE OF VALUE		APRIL 8, 2022
FINAL VALUE CONCLUSION		\$2,770,000
Value/Acre		\$122,000
Exposure Time		9 to 12 Months
Marketing Period		9 to 12 Months
OTHER CONCLUSIONS		APRIL 8, 2022
Paradise Investment Property	19.27 Acres	\$2,300,000
California Vocations Property	4.7 Acres	\$470,000

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions of the signer are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The signer of this report has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- Robert Milbrodt has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The signer is not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- Robert Milbrodt inspected the property that is the subject of this report.
- No one provided significant real property appraisal assistance to appraiser signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Robert Milbrodt has completed the Standards and Ethics Education Requirement for (Candidates or Practicing Affiliates) of the Appraisal Institute.



May 2, 2022

Date

Robert Milbrodt
Senior Valuation Specialist
Certified General Real Estate Appraiser
State of California License #AG 042814
+1 916 724 5503
robert.milbrodt@colliers.com

This appraisal is subject to the following assumptions and limiting conditions:

- The appraiser may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- I assume no responsibility for matters legal in character, nor do I render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- The exhibits in this report are included to assist the reader in visualizing the property. I have made no survey of the property and assume no responsibility in connection with such matters.
- Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- The appraiser assumes no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- The appraiser may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- The statements of value and all conclusions shall apply as of the dates shown herein.
- There is no present or contemplated future interest in the property by the appraiser which is not specifically disclosed in this report.
- Without the written consent or approval of the author neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraiser and the firm with which the appraiser is connected.
- This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the author no portion of the report stands alone.
- The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraiser is in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- The appraiser is not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or

personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- The appraiser assumes no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively influence the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an influence on value and increased perceived risk, a revision of the concluded values may be necessary.
- A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Engagement Letter

Legal Description

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

Professional Service Agreement

1508 Eureka Road, Suite 2150
Roseville CA 95661
Office: +1 916 724 5500
Fax: +1 916 724 5600
www.colliers.com/valuationadvisory

March 30, 2022

John E. Larson, MAI, JD
Senior Valuation Services Director
Direct 1 559 221 7391
john.larson@colliers.com

Seana O'Shaughnessy
President/CEO
Community Housing Improvement Program (CHIP)
1001 Willow Street.
Chico, CA 95928
CHIPgeneral@chiphousing.org
530.891.6931

RE: Appraisal of Cypress Phase 1 & Phase 2 and Combined Phase MFR Sites

Dear Ms. O'Shaughnessy:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the attached Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT ("Agreement")

Projects/Locations:	Cypress Phase 1 (+/- 19.27 Acres) and Cypress Phase 2 (+/- 4.7 Acres) and Combined Site (24 Acres +/-) Paradise, CA
Project Description	Phase I and Phase II Sites for proposed affordable MFR Apartments
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and Community Housing Improvement Program (CHIP). (herein at times referred to as "Client")
Intended User	The appraisal will be prepared for Community Housing Improvement Program (CHIP). Intended users include the Client. No other users are intended.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended only for potential sale purposes.
Purpose	To determine the separate As-Is Market Value of each phase (Phase 1 and 2) as well as the combined site
Type of Appraisal	CIVAS will produce an Appraisal Report in which the appraiser's analysis and conclusions will be summarized within this document.
Rights Appraised	Fee Simple
Date of Value	Date of Inspection
Scope of Work	CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, FIRREA, and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results.

Based on our discussions with the Client, the Client has requested the following valuation scenarios:

- As-Is Market Value of Phase I (19.7 Acs. +/-), As-Is Market Value of Phase II (4.7Acs. +/-) and As-Is Market Value of combined phases (24 Acs. +/-)

CIVAS anticipates developing the following valuation approaches:

- All Applicable Approaches

An interior and exterior observation of the subject property will be performed.

The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.

Professional Service Agreement

Continued

Delivery	Draft Appraisal: Delivered four (4) weeks , assuming timely receipt of authorization and receipt of property specific information.
Professional Fee	\$5,900 total Fee
Expenses	Fees include all associated expenses.
No. of Reports	One (1) Electronic Draft Appraisal and One (1) Electronic Final Appraisal. No printed copies will be delivered to the client.
Retainer	100% retainer is required (50% upon engagement, 50% at time of delivery)
Payment Terms	CIVAS will invoice Client for the Appraisal in its entirety at the delivery of the draft appraisal. Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the Final Appraisal or within thirty (30) days of your receipt of our Draft Appraisal, whichever is sooner. If a Draft Appraisal is requested, the fee is considered earned upon delivery of our Draft Appraisal.
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within 2 business days from the date of this letter.

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information we will need to begin our analysis. Please forward with the Agreement or as soon as possible.

› None

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

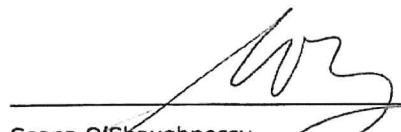
Reliance Language

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with the stated Intended Use. CIVAS is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by CIVAS or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS hereby expressly grants to client the right to copy the Appraisal and distribute it to employees of client and to your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

CIVAS hereby expressly grants to Client the right to copy the Appraisal and distribute it to employees of Client.

I, Seana O'Shaughnessy, agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.


Seana O'Shaughnessy
President/Chief Executive Officer
Community Housing Improvement Program (CHIP)

Date:

3/30/22

Respectfully,

Colliers International Valuation & Advisory Services, LLC


John E. Larson, MAI, JD

Professional Service Agreement

Continued

Senior Valuation Services Director
Direct 1 559 221 7391
john.larson@colliers.com

Terms and Conditions

"T&C"

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$300 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within this time period.
- 7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
- 14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors,

Professional Service Agreement

Continued

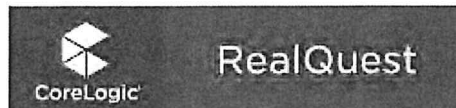
officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.

- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. **LIMITATION OF LIABILITY.** EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.
- 18) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability insurance in the amount of \$2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.
- 19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material and disclaim all liability to any party other than the Client.
- 20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

Property Detail Report

For Property Located At :

1580 ADAMS RD, PARADISE, CA 95969-2817



Owner Information

Owner Name: PARADISE INVESTMENT GROUP LLC
 Mailing Address: PO BOX 2408, DANVILLE CA 94526-7408 B108 C/O PHILLIP M EYRING
 Vesting Codes: // CO

Location Information

Legal Description:	1580 ADAMS RD.	APN:	050-140-050-000
County:	BUTTE, CA	Alternate APN:	
Census Tract / Block:	19.00 / 4	Subdivision:	
Township-Range-Sect:		Map Reference:	/
Legal Book/Page:		Tract #:	
Legal Lot:	1	School District:	PARADISE
Legal Block:		School District Name:	PARADISE UNIFIED
Market Area:		Munic/Township:	
Neighbor Code:	050		

Owner Transfer Information

Recording/Sale Date:	12/24/1998 / 12/18/1998	Deed Type:	GRANT DEED
Sale Price:	\$1,161,500	1st Mtg Document #:	
Document #:	55331		

Last Market Sale Information

Recording/Sale Date:	12/24/1998 /	1st Mtg Amount/Type:	/
Sale Price:	\$2,625,000	1st Mtg Int. Rate/Type:	/
Sale Type:	FULL	1st Mtg Document #:	
Document #:	55330	2nd Mtg Amount/Type:	/
Deed Type:	GRANT DEED	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:	MID VALLEY TITLE		
Lender:			
Seller Name:	DEERWOOD		

Prior Sale Information

Prior Rec/Sale Date:	11/23/1993 /	Prior Lender:	
Prior Sale Price:	\$65,000	Prior 1st Mtg Amt/Type:	/
Prior Doc Number:	51809	Prior 1st Mtg Rate/Type:	/
Prior Deed Type:	GRANT DEED		

Property Characteristics

Gross Area:	Parking Type:	Construction:
Living Area:	Garage Area:	Heat Type:
Tot Adj Area:	Garage Capacity:	Exterior wall:
Above Grade:	Parking Spaces:	Porch Type:
Total Rooms:	Basement Area:	Patio Type:
Bedrooms:	Finish Bsmnt Area:	Pool:
Bath(F/H): /	Basement Type:	Air Cond:
Year Built / Eff: /	Roof Type:	Style:
Fireplace: /	Foundation:	Quality:
# of Stories:	Roof Material:	Condition:
Other Improvements:	Building Permit	

Site Information

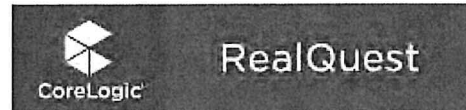
Zoning:	>A2LTD	Acres:	>2.00	County Use:	>VACANT - RESIDENTIAL (RV)
Lot Area:	>87,120	Lot Width/Depth:	> x	State Use:	>
Land Use:	>RESIDENTIAL (NEC)	Res/Comm Units:	> /	Water Type:	>
Site Influence:	>			Sewer Type:	>

Tax Information

Total Value:	\$45,000	Assessed Year:	2021	Property Tax:	\$503.00
Land Value:	\$45,000	Improved %:		Tax Area:	005001
Improvement Value:		Tax Year:	2021	Tax Exemption:	
Total Taxable Value:	\$45,000				

Property Detail Report

For Property Located At :
ADAMS RD, PARADISE, CA 95969



Owner Information

Owner Name: CALIFORNIA VOCATIONS INC
Mailing Address: 564 RIO LINDO AVE #204, CHICO CA 95926-1852 C059
Vesting Codes: / /

Location Information

Legal Description:	1567 ADAMS RD	APN:	050-140-053-000
County:	BUTTE, CA	Alternate APN:	
Census Tract / Block:	21.00 /	Subdivision:	
Township-Range-Sect:		Map Reference:	/
Legal Book/Page:		Tract #:	
Legal Lot:		School District:	PARADISE
Legal Block:		School District Name:	PARADISE UNIFIED
Market Area:		Munic/Township:	
Neighbor Code:	050		

Owner Transfer Information

Recording/Sale Date:	07/28/1988 /	Deed Type:	DEED (REG)
Sale Price:		1st Mtg Document #:	
Document #:	24502		

Last Market Sale Information

Recording/Sale Date:	/	1st Mtg Amount/Type:	/
Sale Price:		1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:		2nd Mtg Amount/Type:	/
Deed Type:		2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	
Title Company:			
Lender:			
Seller Name:			

Prior Sale Information

Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			

Property Characteristics

Year Built / Eff:	/	Total Rooms/Offices		Garage Area:	
Gross Area:		Total Restrooms:		Garage Capacity:	
Building Area:		Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	
Above Grade:		Construction:		Air Cond:	
# of Stories:		Foundation:		Pool:	
Other Improvements:	Building Permit	Exterior wall:		Quality:	
		Basement Area:		Condition:	

Site Information

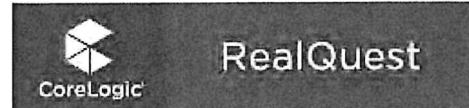
Zoning:	>A2LTD	Acres:	>1.00	County Use:	>VACANT - COMMERCIAL PROPERTY (CV)
Lot Area:	>43,560	Lot Width/Depth:	> x	State Use:	>
Land Use:	>COMMERCIAL LOT	Res/Comm Units:	> /	Water Type:	>
Site Influence:	>			Sewer Type:	>

Tax Information

Total Value:	\$25,993	Assessed Year:	2021	Property Tax:	\$296.78
Land Value:	\$25,993	Improved %:		Tax Area:	005001
Improvement Value:		Tax Year:	2021	Tax Exemption:	
Total Taxable Value:	\$25,993				

Property Detail Report

For Property Located At :
,, CA



Owner Information

Owner Name: PARADISE INVESTMENT GROUP LLC
Mailing Address: PO BOX 2408, DANVILLE CA 94526-7408 B108 C/O PHILLIP M EYRING
Vesting Codes: // CO

Location Information

Legal Description:	CYPRESS LN	APN:	050-140-151-000
County:	BUTTE, CA	Alternate APN:	
Census Tract / Block:	19.00 / 4	Subdivision:	
Township-Range-Sect:		Map Reference:	/
Legal Book/Page:		Tract #:	
Legal Lot:		School District:	PARADISE
Legal Block:		School District Name:	PARADISE UNIFIED
Market Area:		Munic/Township:	
Neighbor Code:	050		

Owner Transfer Information

Recording/Sale Date:	02/08/2001 / 02/01/2001	Deed Type:	QUIT CLAIM DEED
Sale Price:		1st Mtg Document #:	5309
Document #:	5308		

Last Market Sale Information

Recording/Sale Date:	12/24/1998 /	1st Mtg Amount/Type:	/
Sale Price:	\$775,000	1st Mtg Int. Rate/Type:	/
Sale Type:	FULL	1st Mtg Document #:	
Document #:	55329	2nd Mtg Amount/Type:	/
Deed Type:	GRANT DEED	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:	MID VALLEY TITLE		
Lender:			
Seller Name:	FILER BENJAMIN F SEWARD & JEAN		

Prior Sale Information

Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			

Property Characteristics

Year Built / Eff:	/	Total Rooms/Offices		Garage Area:	
Gross Area:		Total Restrooms:		Garage Capacity:	
Building Area:		Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	
Above Grade:		Construction:		Air Cond:	
# of Stories:		Foundation:		Pool:	
Other Improvements:	Building Permit	Exterior wall:		Quality:	
		Basement Area:		Condition:	

Site Information

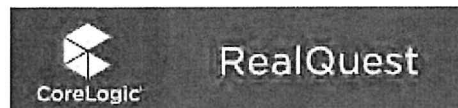
Zoning:	>	Acres:	>3.41	County Use:	>VACANT - RESIDENTIAL (RV)
Lot Area:	>148,540	Lot Width/Depth:	> x	State Use:	>
Land Use:	>RESIDENTIAL ACREAGE	Res/Comm Units:	> /	Water Type:	>
Site Influence:	>			Sewer Type:	>

Tax Information

Total Value:	\$115,856	Assessed Year:	2021	Property Tax:	\$1,271.86
Land Value:	\$115,856	Improved %:		Tax Area:	005001
Improvement Value:		Tax Year:	2021	Tax Exemption:	
Total Taxable Value:	\$115,856				

Property Detail Report

For Property Located At :
1633 CYPRESS LN, PARADISE, CA 95969-2823



Owner Information

Owner Name: PARADISE INVESTMENT GROUP LLC
Mailing Address: PO BOX 2408, DANVILLE CA 94526-7408 B108 C/O PHILLIP M EYRING
Vesting Codes: // CO

Location Information

Legal Description:	CYPRESS LANE	APN:	050-140-155-000
County:	BUTTE, CA	Alternate APN:	
Census Tract / Block:	19.00 / 4	Subdivision:	
Township-Range-Sect:		Map Reference:	/
Legal Book/Page:		Tract #:	
Legal Lot:	1	School District:	PARADISE
Legal Block:		School District Name:	PARADISE UNIFIED
Market Area:		Munic/Township:	
Neighbor Code:	050		

Owner Transfer Information

Recording/Sale Date:	12/24/1998 / 12/18/1998	Deed Type:	GRANT DEED
Sale Price:	\$1,161,500	1st Mtg Document #:	
Document #:	55331		

Last Market Sale Information

Recording/Sale Date:	12/24/1998 /	1st Mtg Amount/Type:	/
Sale Price:	\$2,625,000	1st Mtg Int. Rate/Type:	/
Sale Type:	FULL	1st Mtg Document #:	
Document #:	55330	2nd Mtg Amount/Type:	/
Deed Type:	GRANT DEED	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	\$80.77
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:	MID VALLEY TITLE		
Lender:			
Seller Name:	DEERWOOD LTD PARTNERSHIP		

Prior Sale Information

Prior Rec/Sale Date:	12/24/1998 / 12/23/1998	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:	55328	Prior 1st Mtg Rate/Type:	/
Prior Deed Type:	QUIT CLAIM DEED		

Property Characteristics

Year Built / Eff:	1977 / 1977	Total Rooms/Offices		Garage Area:	
Gross Area:	32,500	Total Restrooms:		Garage Capacity:	
Building Area:	32,500	Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	HEATED
Above Grade:		Construction:	STEEL/HEAVY	Air Cond:	YES
# of Stories:		Foundation:		Pool:	
Other Improvements:	Building Permit	Exterior wall:		Quality:	
		Basement Area:		Condition:	

Site Information

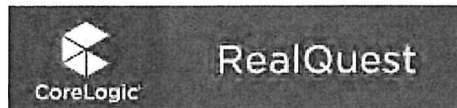
Zoning:	>	Acres:	>10.40	County Use:	>COMMERCIAL - INSTITUTIONAL (CI)
Lot Area:	>453,024	Lot Width/Depth:	> x	State Use:	>
Land Use:	>COMMERCIAL (NEC)	Res/Comm Units:	> /	Water Type:	>
Site Influence:	>			Sewer Type:	>

Tax Information

Total Value:	\$400,000	Assessed Year:	2021	Property Tax:	\$4,553.84
Land Value:	\$400,000	Improved %:		Tax Area:	005001
Improvement Value:		Tax Year:	2021	Tax Exemption:	
Total Taxable Value:	\$400,000				

Property Detail Report

For Property Located At :
6900 CLARK RD, PARADISE, CA 95969-2250



Owner Information

Owner Name: PARADISE INVESTMENT GROUP LLC
Mailing Address: PO BOX 2408, DANVILLE CA 94526-7408 B108 C/O PHILLIP M EYRING
Vesting Codes: // CO

Location Information

Legal Description:	CLARK RD & CYPRESS LN		
County:	BUTTE, CA	APN:	050-140-160-000
Census Tract / Block:	19.00 / 4	Alternate APN:	
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	/
Legal Lot:		Tract #:	
Legal Block:		School District:	PARADISE
Market Area:		School District Name:	PARADISE UNIFIED
Neighbor Code:	050	Munic/Township:	

Owner Transfer Information

Recording/Sale Date:	12/24/1998 / 12/18/1998	Deed Type:	GRANT DEED
Sale Price:	\$1,161,500	1st Mtg Document #:	
Document #:	55331		

Last Market Sale Information

Recording/Sale Date:	12/24/1998 /	1st Mtg Amount/Type:	/
Sale Price:	\$775,000	1st Mtg Int. Rate/Type:	/
Sale Type:	FULL	1st Mtg Document #:	
Document #:	55329	2nd Mtg Amount/Type:	/
Deed Type:	GRANT DEED	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	\$104.53
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:	MID VALLEY TITLE		
Lender:			
Seller Name:	FILER BENJAMIN F SEWARD & JEAN		

Prior Sale Information

Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			

Property Characteristics

Year Built / Eff:	1964 / 1975	Total Rooms/Offices		Garage Area:	
Gross Area:	7,414	Total Restrooms:	14	Garage Capacity:	
Building Area:	7,414	Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	HEATED
Above Grade:		Construction:	WOOD	Air Cond:	YES
# of Stories:		Foundation:		Pool:	
Other Improvements:	Building Permit	Exterior wall:		Quality:	AVERAGE
		Basement Area:		Condition:	

Site Information

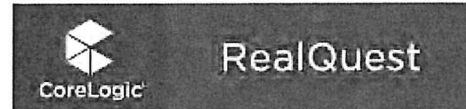
Zoning:	>	Acres:	>2.53	County Use:	>COMMERCIAL - INSTITUTIONAL (CI)
Lot Area:	>110,207	Lot Width/Depth:	> x	State Use:	>
Land Use:	>COMMERCIAL (NEC)	Res/Comm Units:	> /	Water Type:	>
Site Influence:	>			Sewer Type:	>

Tax Information

Total Value:	\$80,000	Assessed Year:	2021	Property Tax:	\$982.32
Land Value:	\$80,000	Improved %:		Tax Area:	005001
Improvement Value:		Tax Year:	2021	Tax Exemption:	
Total Taxable Value:	\$80,000				

Property Detail Report

For Property Located At :
1623 CYPRESS LN, PARADISE, CA 95969-2823

**Owner Information**

Owner Name: PARADISE INVESTMENT GROUP LLC
 Mailing Address: PO BOX 2408, DANVILLE CA 94526-7408 B108 C/O PHILLIP M EYRING
 Vesting Codes: // CO

Location Information

Legal Description:	CLARK RD & CYPRESS LN		
County:	BUTTE, CA	APN:	050-140-161-000
Census Tract / Block:	19.00 / 4	Alternate APN:	
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	/
Legal Lot:		Tract #:	
Legal Block:		School District:	PARADISE
Market Area:		School District Name:	PARADISE UNIFIED
Neighbor Code:	050	Munic/Township:	

Owner Transfer Information

Recording/Sale Date:	12/24/1998 / 12/18/1998	Deed Type:	GRANT DEED
Sale Price:	\$1,161,500	1st Mtg Document #:	
Document #:	55331		

Last Market Sale Information

Recording/Sale Date:	12/24/1998 /	1st Mtg Amount/Type:	/
Sale Price:	\$775,000	1st Mtg Int. Rate/Type:	/
Sale Type:	FULL	1st Mtg Document #:	
Document #:	55329	2nd Mtg Amount/Type:	/
Deed Type:	GRANT DEED	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	\$720.93
New Construction:		Multi/Split Sale:	MULTIPLE
Title Company:	MID VALLEY TITLE		
Lender:			
Seller Name:	FILER BENJAMIN F SEWARD & JEAN		

Prior Sale Information

Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			

Property Characteristics

Year Built / Eff:	1961 / 1961	Total Rooms/Offices		Garage Area:	
Gross Area:	1,075	Total Restrooms:	1	Garage Capacity:	
Building Area:	1,075	Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	
Above Grade:		Construction:	WOOD	Air Cond:	
# of Stories:		Foundation:		Pool:	
Other Improvements:	Building Permit	Exterior wall:		Quality:	AVERAGE
		Basement Area:		Condition:	

Site Information

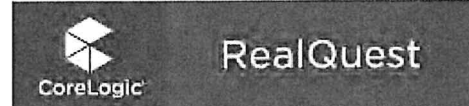
Zoning:	>	Acres:	>0.93	County Use:	>COMMERCIAL - INSTITUTIONAL (CI)
Lot Area:	>40,511	Lot Width/Depth:	> x	State Use:	>
Land Use:	>COMMERCIAL (NEC)	Res/Comm Units:	> /	Water Type:	>
Site Influence:	>			Sewer Type:	>

Tax Information

Total Value:	\$50,682	Assessed Year:	2021	Property Tax:	\$598.06
Land Value:	\$50,682	Improved %:		Tax Area:	005001
Improvement Value:		Tax Year:	2021	Tax Exemption:	
Total Taxable Value:	\$50,682				

Property Detail Report

For Property Located At :
1620 CYPRESS LN, PARADISE, CA 95969-2824



Owner Information

Owner Name: CALIFORNIA VOCATIONS INC
Mailing Address: 702 MANGROVE AVE, CHICO CA 95926-3948 C017
Vesting Codes: / /

Location Information

Legal Description:	CYPRESS LANE	APN:	050-140-162-000
County:	BUTTE, CA	Alternate APN:	
Census Tract / Block:	19.00 / 4	Subdivision:	
Township-Range-Sect:		Map Reference:	/
Legal Book/Page:		Tract #:	
Legal Lot:		School District:	PARADISE
Legal Block:		School District Name:	PARADISE UNIFIED
Market Area:		Munic/Township:	
Neighbor Code:	050		

Owner Transfer Information

Recording/Sale Date:	/	Deed Type:	
Sale Price:		1st Mtg Document #:	
Document #:			

Last Market Sale Information

Recording/Sale Date:	/	1st Mtg Amount/Type:	/
Sale Price:		1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:		2nd Mtg Amount/Type:	/
Deed Type:		2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	
Title Company:			
Lender:			
Seller Name:			

Prior Sale Information

Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			

Property Characteristics

Year Built / Eff:	1900 / 1900	Total Rooms/Offices		Garage Area:	
Gross Area:		Total Restrooms:		Garage Capacity:	
Building Area:		Roof Type:		Parking Spaces:	
Tot Adj Area:		Roof Material:		Heat Type:	
Above Grade:		Construction:		Air Cond:	
# of Stories:		Foundation:		Pool:	
Other Improvements:	Building Permit	Exterior wall:		Quality:	
		Basement Area:		Condition:	

Site Information

Zoning:	>	Acres:	>3.70	County Use:	>COMMERCIAL - INSTITUTIONAL (CI)
Lot Area:	>161,172	Lot Width/Depth:	> x	State Use:	>
Land Use:	>COMMERCIAL (NEC)	Res/Comm Units:	> /	Water Type:	>
Site Influence:	>			Sewer Type:	>

Tax Information

Total Value:	\$147,348	Assessed Year:	2021	Property Tax:	\$114.26
Land Value:	\$147,348	Improved %:		Tax Area:	005001
Improvement Value:		Tax Year:	2021	Tax Exemption:	WELFARE
Total Taxable Value:					

Valuation & Advisory Services

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Fax: +1 206 682 7938
colliers.com

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Suite 4800
Seattle, WA 98101
United States

Valuation Glossary 2022

Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).

Uniform Standards of Professional Appraisal Practice, 2020-2022 Edition (USPAP).

The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real estate contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. *(USPAP)*

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. *(Dictionary)*

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. *(Dictionary)*

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. *(Dictionary)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. *(Dictionary)*

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. *(Dictionary)*

Going-concern

An established and operating business having an indefinite future life. *(Dictionary)*

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. *(Dictionary)*

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. *(Dictionary)*

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

Gross Living Area (GLA)

Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing

costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN lease*, *triple net lease*, or *fully net lease*. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment

An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Replacement Cost for Insurance Purposes

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. *(Dictionary)*

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. *(Dictionary)*

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*



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Jeffrey R. Shouse, MAI, CRE

Area of Expertise

Jeffrey R. Shouse joined Colliers International Valuation & Advisory Services in January 1998. His primary focus is on the valuation of mobile home parks, self-storage facilities, and multifamily developments. Over the last several years, Jeff has appraised these property types in all 50 states. His clients include lenders, developers, owners, attorneys, insurance companies, and redevelopment groups.

Jeff was raised in Sacramento, California. After high school graduation, he attended Utah Valley State College where he received an associate degree. He then attended Brigham Young University and California State University, Sacramento, receiving a bachelor's degree.

Jeff is currently the Executive Managing Director for Northern California (Sacramento, Fresno, San Francisco, and San Jose), Nevada (Reno), and the Mountain States (Denver and Salt Lake City).

Jeff is also the National Practice Leader for the Self-Storage Group. His national team consists of 25 senior appraisers strategically aligned throughout the country. The Self-Storage team was able to complete 2800 assignments over the last three years, including several Feasibility Studies and consulting assignments.

Jeff has had several speaking assignments with the different Self-Storage Associations including the NYSSA, SSA Conference in Orlando, FL, and the CSSA in Napa, CA this year based on his knowledge and experience of the Self-Storage industry.

Affiliations or Memberships

Designated Member of the Appraisal Institute

CRE Designation - Counselors of Real Estate

Boy Scouts of America

Sacramento-Sierra Chapter of the Appraisal Institute

Western Manufactured Housing Communities Association (WMA)

National Manufactured Housing Congress (NMHC)

California Self Storage Association (CSSA)

Self-Storage Association (SSA)

Inside Self Storage (ISS)

Terry Gardner Spirit Award (2008)

Top Producer (2010)

Colliers International Innovation Award
Innovation Award (2012)

Education or Qualifications

Bachelor of Science Degree,
California State University,
Sacramento

Utah Valley State College

Brigham Young University

State Certifications

California

Nevada

Maryland

Texas

Utah

Virginia



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Jeffrey R. Shouse

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 026208

Effective Date: April 11, 2021
Date Expires: April 10, 2023

Loretta Dillon

Loretta Dillon, Deputy Bureau Chief, BREA

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Robert Milbrodt

Area of Expertise

Mr. Milbrodt has been in the appraisal industry since 1991, starting with 15 years of experience appraising all property types in a county Assessor's office, including possessory interests and taxable municipally owned property. He then worked 8 years with CBRE valuing all types of commercial properties across Northern California and handling property tax appeals, performing feasibility studies and rent surveys, economic analyses, preparing for estate planning and income tax issues, and providing litigation support. Mr. Milbrodt joined Colliers International in October of 2014. He has extensive experience in appraising industrial, retail, office, special use, agricultural properties, fractional and partial interests, condemnations, condominium interests, and residential subdivisions.

Affiliations or Memberships

Practicing Affiliate, Appraisal Institute
California General Certified
License # AG042814

Professional Background

Property Tax Appraiser, Yolo County
Assessor's Office
Senior Appraiser, CBRE

Appraisal Institute Courses

- Uniform Standards of Professional Appraisal
- Practice (USPAP)
- Business Practice & Ethics
- Report Writing and Case Studies
- Advanced Income Capitalization

Other Related Courses

- REO and Foreclosures
- Appraisal Review
- Appraising Green Buildings
- Appraising for Litigation

Appraisal Experience

- Agricultural Properties
- Apartment Complexes
- Assisted Living, Senior Housing
- Auto Dealerships
- Cold Storage
- General and Medical Office
- Golf Courses
- Ground Leases
- Industrial Properties
- Land, Open Space, Easements
- Marinas
- Mixed Use Projects
- Mobile Home Parks
- Retail, Fast Food, Restaurants
- Residential Subdivisions

Education or Qualifications

Bachelor of Science,
Agricultural and Managerial
Economics, University of
California Davis, Davis, CA

State Certifications

California



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Robert B. Milbrodt

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This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 042814

Effective Date: July 12, 2021
Date Expires: July 11, 2023

Loretta Dillon

Loretta Dillon, Deputy Bureau Chief, BREa

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Valuation & Advisory Services

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Loan Pool Valuation
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Lease and Cost Analysis
Insurance Valuation
Arbitration & Consulting
Feasibility Studies
Investment Analysis
Highest and Best Use Studies
Tax Appeals
Litigation Support
Segregated-Cost Analysis

Experience That Counts

Office
Industrial
Retail
Multifamily
Mixed-Use Properties
Senior Housing
Land
Self-Storage
Manufactured Housing
Agriculture
Net Lease
Hospitality
Health Care
Subdivisions
Embassies & Consulates
GSA Properties
Special Use Properties
Telecommunications
Easements
Life Science

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

Commitment to high-end client service, coupled with Colliers' unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

Professionals

Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

Technology

Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

Information

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers International's Valuation and Advisory reports give our clients the information they need to make better business decisions.

Valuation & Advisory Services National Leadership

Colliers

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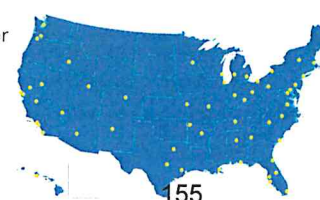




Exhibit G
Evidence of Site Control
Purchase and Sale Agreement

PURCHASE AND SALE AGREEMENT

(1623 Cypress Lane, 1633 Cypress Lane, 6900 Clark Road and
1580 Adams Road, Paradise, California)

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is made as of the last date indicated by the signatures of Buyer and Seller below (the "Effective Date"), by and between Paradise Investment Group, LLC, a California limited liability company ("Seller"), and Mercy Housing California, a California nonprofit public benefit corporation ("Buyer").

WHEREAS, Seller is the fee owner of that certain real property consisting of approximately 19.27 acres land located at 1623 Cypress Lane, 1633 Cypress Lane, 6900 Clark Road and 1580 Adams Road in Paradise, California (Assessor's Parcel Nos. 050-140-161, 050-140-151, 050-140-160, 050-140-155 and 050-140-050) (the "Land"), together with any and all improvements located thereon (the "Improvements"). The Land and Improvements are defined herein collectively as the "Property";

WHEREAS, Buyer desires to buy, and Seller desires to sell, the Property on the terms and conditions set forth in this Agreement; and

WHEREAS, Buyer intends to develop the Property into a multifamily housing project reserved for low income tenants (the "Project").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer mutually agree as follows:

1. **PURCHASE AND SALE.** Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller all of Seller's right, title and interest in and to the Property, subject to the terms of this Agreement. In addition to the Land and the Improvements included within the term "Property," as described above, the "Property" to be transferred hereunder shall also include all of Seller's right title and interest in and to, if any, (i) all rights, privileges and easements appurtenant to the Property, including, without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Land (if owned by Seller), as well as all development rights and approvals (subject to any limitations in Section 4), air rights, water, water rights and water stock relating to the Property and any other easements, rights of way or appurtenances used in connection with the beneficial use and enjoyment of the Land (collectively, the "Appurtenances"), and (ii) all governmental permits and approvals, environmental reports, surveys, other reports, studies and all other plans, specifications, books, records and files, any and all licenses, permits, and other governmental approvals, any and all warranties, guaranties, claims, demands and indemnities, and any and all other intangible rights relating to the ownership, use and operation of all or any part of the Property (collectively, the "Intangible Property").

2. **THE PURCHASE PRICE.** The purchase price of the Property shall be Two Million Five Hundred Thousand Dollars (\$2,500,000.00) (the "Purchase Price"). Notwithstanding the foregoing, if, during the Feasibility Review Period, Buyer obtains an appraisal of the Property prepared by an independent third party which appraises the Property at

a different value, the Purchase Price shall automatically be adjusted to the greater of (i) the value set forth in such appraisal, or (ii) Two Million Three Hundred Thousand Dollars (\$2,300,000.00). If applicable, the parties agree to enter into an amendment to this Agreement memorializing such adjustment to the Purchase Price prior to the expiration of the Feasibility Review Period. The Purchase Price shall be payable as follows:

(a) Within three (3) business days following the Effective Date, Buyer and Seller shall open an escrow with Fidelity National Title Company, 8525 Madison Ave, Ste 110, Fair Oaks, CA 958628, Attn: Sara Rewinkle, Phone: 916-646-6098, Email: sara.rewinkle@fnf.com (the "Title Company"), shall deposit a fully signed copy of this Agreement into escrow with the Title Company, and shall execute such instructions as the Title Company may require which are not inconsistent with the provisions of this Agreement.

(b) Within five (5) business days following the Effective Date, Buyer shall deposit with the Title Company via check or wire transfer an earnest money deposit in the amount of One Hundred Thousand Dollars (\$100,000.00) (the "Deposit"). The Deposit shall remain fully refundable to Buyer until the expiration of the Tax Credit Award Contingency Period, except to the extent that any portion of the Deposit is released to Seller pursuant to Section 3 below. Any portion of the Deposit released to Seller pursuant to Section 3 shall be applicable to the Purchase Price.

(c) The balance of the Purchase Price shall be deposited with the Title Company by Buyer in accordance with Section 9 below.

3. FEASIBILITY REVIEW; FINANCING CONTINGENCIES.

(a) The "Feasibility Review Period" shall be the period beginning on the Effective Date and ending at 5:00 p.m. (Pacific Time) on the date which is six (6) months following the Effective Date.

(b) Within twenty (20) days after the Effective Date, Seller shall provide to Buyer a current preliminary title report for the Property (the "Title Report"), together with copies of all documents relating to the title exceptions referred to in such Title Report. In addition, to the extent that such items exist and are in the Seller's possession or control, Seller shall provide to Buyer copies of the following due diligence items concerning the Property (that shall be true, correct, and complete to the Seller's actual knowledge) (the "Due Diligence Documents") no later than fifteen (15) business days following the Effective Date:

(i) Any plans relating to grading, erosion control, water, sewer, storm drain, street improvement, landscape and parks or other infrastructure or improvements affecting the Land;

(ii) Any relevant correspondence with government entities, including but not limited to the California Department of Transportation;

(iii) All physical inspection reports;

- (iv) The most current real property tax bills;
- (v) Information on any applicable community facilities district assessments;
- (vi) All reports and studies regarding the physical condition of the Property, including but not limited to environmental, biological, archaeological, soils and engineering reports and studies;
- (vii) Surveys and topographic maps;
- (viii) Covenants, conditions and restrictions rights of use or access, whether or not recorded against the Property;
- (ix) Notifications by any municipality regarding the Land or any portion thereof;
- (x) Copies of all agreements, service contracts or other documents affecting the Property, including any assignable warranties;
- (xi) Any land use or occupancy restriction affecting the Land;
- (xii) Copies of any financing documents affecting the Property;
- (xiii) Copies of any non-confidential documents relating to disputes, litigation, or settlement of any claims from or against adjacent property owners that could affect Buyer's proposed development of the Property; and
- (xiv) Any other information regarding the physical, legal or financial condition of the Property.

(c) From and after the Effective Date, Seller shall provide Buyer, its agents and representatives access to the Property, and Buyer, its agents and representatives shall be entitled to enter onto the Property to perform inspections, surveys, tests and appraisals of the Property, including invasive testing, and make any other investigations necessary or appropriate (including discussions with governmental agencies) to determine if the Property is suitable, in Buyer's sole discretion, for Buyer's intended use, subject to each of the following conditions:

- (i) Buyer shall provide written notice to Seller prior to any desired access.
- (ii) After making such tests and inspections, Buyer agrees to promptly restore the Property to its condition prior to such tests and inspections.
- (iv) Buyer shall indemnify and hold harmless Seller from all loss, cost and expense (including reasonable attorneys' fees) incurred, suffered by, or claimed against the Seller and caused by Buyer's exercising its rights under this Section 3(c), which indemnity obligation shall survive the expiration or termination of this Agreement.

(v) Buyer shall name, and shall cause its representatives, employees, agents and independent contractors to name, Seller as additionally insured party under Buyer's or its representatives, employees, agents and independent contractors' commercial general liability insurance on an "occurrence basis" against claims for "personal injury", including without limitation, bodily injury or death, or "property damage", for not less than \$1,000,000 per occurrence.

(d) On or before the expiration of the Feasibility Review Period, Buyer shall provide Seller with (i) written notice (the "Approval Notice") of its approval of those matters described in Sections 3(b) and 3(c) and any other matters related to the condition of the Property (the "Due Diligence Matters"), as determined by Buyer in its sole and absolute discretion. If Buyer does not provide the Approval Notice prior to the expiration of the Feasibility Review Period, then this Agreement shall automatically terminate as of the expiration of the Feasibility Review Period. If prior to the expiration of the Feasibility Review Period, Buyer delivers notice that any Due Diligence Matter is disapproved ("Disapproval Notice"), then Seller will have ten (10) days after delivery of Buyer's Disapproval Notice to deliver written notice to Buyer ("Seller's Cure Notice"), (i) with respect to any disapproved Due Diligence Matter arising or resulting from any act or omission of Seller, specifying the manner in which it will remove or cure such disapproved item, and (ii) with respect to any other disapproved item, specifying either (1) the manner in which Seller will remove or cure such disapproved item, or (2) that Seller will not remove or cure such disapproved item. If Seller fails to timely deliver its Seller's Cure Notice, Seller will be deemed to have not agreed to cure all items of the type described in this Section 3(d)(ii) as set forth in the Disapproval Notice. Following any election or deemed election by Seller not to cure any such disapproved item contained in the Disapproval Notice, Buyer will have ten (10) days after delivery of Seller's Cure Notice to deliver to Seller Buyer's notice of its election to either (i) proceed with the purchase of the Property subject to any disapproved items Seller does not elect to cure, or (ii) terminate this Agreement. Buyer's failure to deliver such notice will be deemed its election to terminate this Agreement. Upon a termination of this Agreement under this Section 3(d), the Title Company is instructed to return the Deposit to Buyer. If Seller is obligated or elects to cure or remove a disapproved item and fails to do so at least five (5) business days prior to the Closing Date (defined in Section 11(b)), Seller shall be in material default under this Agreement and Buyer shall be entitled to all rights and remedies hereunder. If this Agreement has not been terminated or deemed terminated by the end of the Feasibility Review Period, then Twenty-Five Thousand Dollars (\$25,000.00) of the Deposit shall become nonrefundable to Buyer and applicable towards the Purchase Price and, within five (5) business days after the expiration of the Feasibility Review Period, the Title Company shall release such amount to Seller.

(e) Notwithstanding anything to the contrary in this Agreement, on or before the Closing, Seller shall be obligated to remove all monetary liens and encumbrances securing the payment of money from title to the Property. Buyer shall have until the expiration of the Feasibility Review Period to deliver written notice of any objections to the exceptions shown on the Title Report ("Title Objections"). Seller will have ten (10) days after delivery of Buyer's Title Objection notice to deliver written notice to Buyer ("Seller's Title Notice"), (i) with respect to any Title Objections that are monetary liens or encumbrances securing the payment of money

and that arise or result from any act or omission of Seller, specifying the manner in which it will remove or cure such objection, and (ii) with respect to any other Title Objections, specifying either (1) the manner in which Seller will remove or cure such Title Objection, or (2) that Seller will not remove or cure such Title Objection. If Seller fails to timely deliver its Seller's Title Notice, Seller will be deemed to not have agreed to cure all Title Objections of the type described in this Section 3(e)(ii). Following any election or deemed election by Seller not to cure any such Title Objection, Buyer will have ten (10) days after delivery of Seller's Title Notice to deliver to Seller Buyer's notice of its election to either (i) proceed with the purchase of the Property, or (ii) terminate this Agreement. Buyer's failure to deliver such notice, will be deemed its election to terminate this Agreement. Upon a termination of this Agreement under this Section 3(e), the Title Company is instructed to return the Deposit to Buyer. If Seller is obligated or elects to cure or remove a Title Objection and fails to do so at least five (5) business days prior to the Closing Date, Seller shall be in material default under this Agreement and Buyer shall be entitled to all rights and remedies hereunder.

(f) Buyer shall have until 5:00 p.m. (Pacific Time) on December 31, 2022 (the "CDBG-DR/Section 8 Contingency Period"), to obtain (i) commitments from the Town of Paradise and the California Department of Housing and Community Development ("HCD") for funds from the Community Development Block Grant – Disaster Recovery program administered by HCD in an amount sufficient, in Buyer's sole and absolute discretion, to acquire the Property and develop the Project (the "CDBG-DR Funds"); and (ii) a commitment from the County of Butte for a Project-Based Section 8 Housing Assistance Contract in an amount sufficient, in Buyer's sole and absolute discretion, to operate the Project (the "HAP Contract"). Seller shall cooperate with Buyer in obtaining the commitments for the CDBG-DR Funds and the HAP Contract, including, but not limited to, signing any and all applications required by the Town of Paradise, HCD and/or the County of Butte. Seller shall provide up to four (4) hours of complimentary cooperation in this regard; and, thereafter, Seller shall charge Buyer for such cooperation services at a rate of \$100 per hour; provided, however, that prior to providing any such chargeable services, Seller shall provide Buyer with an estimate of the total charge therefor, Buyer shall have approved of such estimated charge, and the total cost charged to Buyer shall not exceed such estimated charge without Buyer's prior approval. If Buyer is unable to obtain commitments for both the CDBG-DR Funds and the HAP Contract during CDBG-DR/Section 8 Contingency Period, then Buyer shall have the right to terminate this Agreement by giving a written notice of such termination (the "CDBG-DR/Section 8 Contingency Termination Notice") to Seller prior to the expiration of the CDBG-DR/Section 8 Contingency Period. Buyer's failure to deliver the CDBG-DR/Section 8 Contingency Termination Notice prior to the expiration of the CDBG-DR/Section 8 Contingency Period will be deemed its election to terminate this Agreement. Upon a termination or deemed termination of this Agreement under this Section 3(f), the Title Company is instructed to return to Buyer the amount of the Deposit not previously released to Seller. If this Agreement has not been terminated or deemed terminated by the end of the CDBG-DR/Section 8 Contingency Period, then Twenty-Five Thousand Dollars (\$25,000.00) of the Deposit shall become nonrefundable to Buyer and applicable towards the Purchase Price and, within five (5) business days after the expiration of the CDBG-DR/Section 8 Contingency Period, the Title Company shall release such amount to Seller.

(g) Buyer shall have until 5:00 p.m. (Pacific Time) on July 15, 2023 (the "Tax Credit Application Contingency Period"), to complete the submission of an application (the "Application") to the California Tax Credit Allocation Committee ("TCAC") for an award of 9% low income housing tax credits ("Tax Credits") for the development of the Project. Seller shall cooperate with Buyer in completing the submission of the Application. Seller shall provide up to four (4) hours of complimentary cooperation in this regard; and, thereafter, Seller shall charge Buyer for such cooperation services at a rate of \$100 per hour; provided, however, that prior to providing any such chargeable services, Seller shall provide Buyer with an estimate of the total charge therefor, Buyer shall have approved of such estimated charge, and the total cost charged to Buyer shall not exceed such estimated charge without Buyer's prior approval. If Buyer is unable complete the submission of the Application prior to the expiration of the Tax Credit Application Contingency Period, then Buyer shall have the right to terminate this Agreement by giving a written notice of such termination (the "Tax Credit Application Contingency Termination Notice") to Seller prior to the expiration of the Tax Credit Application Contingency Period. Buyer's failure to deliver the Tax Credit Application Contingency Termination Notice prior to the expiration of the Tax Credit Application Contingency Period will be deemed its election to terminate this Agreement. Upon a termination or deemed termination of this Agreement under this Section 3(g), the Title Company is instructed to return to Buyer the amount of the Deposit not previously released to Seller. If this Agreement has not been terminated or deemed terminated by the end of the Tax Credit Application Contingency Period, then Twenty-Five Thousand Dollars (\$25,000.00) of the Deposit shall become nonrefundable to Buyer and applicable towards the Purchase Price and, within five (5) business days after the expiration of the Tax Credit Application Contingency Period, the Title Company shall release such amount to Seller.

(h) Buyer shall have until 5:00 p.m. (Pacific Time) on September 30, 2023 (the "Tax Credit Award Contingency Period"), to obtain a commitment from TCAC of an award of Tax Credits in an amount sufficient, in Buyer's sole and absolute discretion, to develop the Project (the "Tax Credit Award"). If Buyer does not receive the Tax Credit Award prior to the expiration of the Tax Credit Award Contingency Period, then Buyer shall have the right to terminate this Agreement by giving a written notice of such termination (the "Tax Credit Award Contingency Termination Notice") to Seller prior to the expiration of the Tax Credit Award Contingency Period. Buyer's failure to deliver the Tax Credit Award Contingency Termination Notice prior to the expiration of the Tax Credit Award Contingency Period will be deemed its election to terminate this Agreement. Upon a termination or deemed termination of this Agreement under this Section 3(h), the Title Company is instructed to return to Buyer the amount of the Deposit not previously released to Seller. If this Agreement has not been terminated or deemed terminated by the end of the Tax Credit Award Contingency Period, then Twenty-Five Thousand Dollars (\$25,000.00) of the Deposit shall become nonrefundable to Buyer and applicable towards the Purchase Price and, within five (5) business days after the expiration of the Tax Credit Award Contingency Period, the Title Company shall release such amount to Seller.

(i) In the event of any termination or deemed termination of this Agreement, for any reason or by any party, Buyer hereby agrees to provide Seller with copies of any and all non-privileged reports, studies, surveys, or other results from inspections, investigations, or other due diligence matters. All such reports, studies, surveys and other results shall be provided on an

as-is basis, without any representation or warranty from Seller as to their completeness or accuracy or the ability of Buyer or any other party to rely upon them.

4. **REPRESENTATIONS AND WARRANTIES OF SELLER.** The effect of the representations and warranties made in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents. Seller represents and warrants to Buyer that the following matters are true and correct as of the execution of this Agreement and, will be true and correct as of the Closing:

(a) Seller is a California limited liability company, duly formed, in good standing and validly operating under the laws of the State of California.

(b) Seller has the right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder and no further consents or approvals are required as a condition to any of the foregoing.

(c) This Agreement and all of the documents to be delivered by Seller to Buyer at the Closing will be duly authorized, executed and delivered by Seller, and will be legal and binding obligations of Seller enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally).

(d) To the Seller's actual knowledge, there are no (a) condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would detrimentally affect the value or use of the Property, and (b) assessments affecting the Property other than as set forth in the Title Report.

(e) To the Seller's actual knowledge, there are no pending actions, suits, proceedings, judgments, orders, decrees, defaults, delinquencies or deficiencies or other actions affecting the Property or Seller's interest therein, nor are there any attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings pending against Seller, nor are any such proceedings contemplated by Seller. Seller has received no notice of any of the foregoing actions or proceedings and, to the best of Seller's knowledge, none of the same have been threatened against Seller, the Property or any interest therein.

(f) Except as disclosed in the Due Diligence Materials, to the Seller's actual knowledge, there are no individuals or entities with any lease or other agreement which grants any rights to use and/or occupy any portion of the Property.

(g) Notwithstanding the disclosures provided in the Due Diligence Materials, Seller shall make no representations or warranties, express or implied, and hereby waives and disclaims any such representations and warranties regarding (i) the existence or prior existence on the Property of any hazardous materials or toxic substances (collectively, "Hazardous Materials" as defined below) , (ii) of any violations at the Property of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene or to the environmental conditions on,

under, or about the Property, including but not limited to soil and groundwater conditions, (iii) of any environmental, health, or safety hazards on, under, or about the Property, including but not limited to soil and groundwater conditions. Seller hereby covenants that it will not through the Closing, knowingly or purposely use, treat, store or dispose of any Hazardous Materials at the Property in violation of any federal, state, or local law, regulation or ordinance.

As used herein, the term "Hazardous Material(s)" shall mean (1) any oil or any fraction thereof or petroleum products or "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14) or Section 25281(h) or 25316 of the California Health and Safety Code at such time; any "hazardous waste," "infectious waste" or "hazardous material" as defined in Section 25117, 25117.5 or 25501 (j) of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300 (f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq. Section 39000 et seq.), or California Water Code (Section 13000 et seq.) at such time, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing criminal or civil liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect; (2) any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws (whether common law, statute, rule, regulation, or otherwise) relating to the Property or for the protection of human health, the environment or natural resources; and (3) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court. Hazardous Materials do not include substances of a type and quantity normally used in the operation and maintenance of improved real property, provided such materials are used in accordance with all applicable laws. Buyer expressly acknowledges and agrees to the waiver of such representations and warranties regarding Hazardous Materials, and agrees that Section 16, below, shall apply with full force and effect with regard to such waiver. Buyer expressly acknowledges and agrees that the Property is located in the town of Paradise, California, which was the site of the 2018 Camp Fire wherein the Property could have been exposed to Hazardous Materials, and Buyer fully accepts the risk and responsibility thereof.

(h) To the Seller's actual knowledge, the Due Diligence Materials to be delivered to Buyer are true, correct and complete, and to the best of Seller's knowledge, there are no defaults, notices of default or other material circumstances regarding the matters investigated by Buyer pursuant to Section 3 of this Agreement which have not been disclosed to Buyer.

(i) Except as limited by subsection (g), above, to the Seller's actual knowledge, neither the Property nor its operation violates in any way any applicable laws, ordinances, rules, regulations, judgments, orders, or covenants, conditions and restrictions, whether federal, state, local, foreign, or private. The Improvements are not in violation of any

applicable building or zoning codes, building moratorium or environmental protection codes, laws, regulations, or ordinances.

5. **RESERVED.**

6. **REPRESENTATIONS AND WARRANTIES OF BUYER.** Buyer represents and warrants to Seller that the following matters are true and correct as of the execution of this Agreement and will be true and correct as of the Closing:

(a) Buyer is a California nonprofit public benefit corporation, duly formed, in good standing and validly operating under the laws of the State of California.

(b) This Agreement and all of the documents to be delivered by Buyer to Seller at the Closing will be duly authorized, executed and delivered by Buyer, and will be legal and binding obligations of Buyer enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally).

7. **COVENANTS AND CLOSING CONDITIONS**

(a) Seller hereby covenants with Buyer as follows:

(i) Seller agrees that as of the Closing, no part of the Property, or any interest therein, will be lien, encumbered or have been otherwise transferred in any manner, including but not limited to the granting of any leasehold rights of occupancy or rights of use without Buyer's prior written consent, which may be given or withheld by Buyer in its sole and absolute discretion. Seller shall not enter into any new leases for the Property without the prior consent of Buyer, which consent may be withheld in Buyer's sole and absolute discretion.

(ii) Seller shall maintain the Property substantially in its condition existing as of the Effective Date, reasonable wear and tear excepted, and Seller will make no alterations to the Property without Buyer's prior written consent, which may be given or withheld by Buyer in its sole and absolute discretion.

(iii) Seller shall (x) timely make all payments of property taxes and other assessments that become due and payable respecting the Property prior to the Closing, (y) shall obtain and maintain in effect through the Closing and shall timely pay all premiums for commercially reasonable amounts of comprehensive general liability, casualty (full replacement cost) and other appropriate insurance on the Property, and (y) shall timely make all principal and interest payments required under any mortgages encumbering the Property (which mortgages shall be removed from title prior to the Closing as required pursuant to Section 3(e) of this Agreement).

(iv) Seller shall promptly notify Buyer of any change in any condition with respect to the Property or of any event or circumstance which makes any representation or

warranty of Seller to Buyer under this Agreement materially untrue or misleading, or any covenant of Seller under this Agreement incapable of being performed.

(b) The obligations of Buyer hereunder are subject to the fulfillment of each of the following conditions as of the Closing ("Buyer's Closing Conditions"), which Buyer's Closing Conditions are solely for Buyer's benefit and may be waived in writing by Buyer in its sole discretion:

(i) Seller shall be in a position to convey, transfer or assign, as applicable, the Property and the Title Company shall be irrevocably and unconditionally committed to issue the Owner's Policy (defined in Section 8), each in accordance with the terms of and as described in Section 8, on the Closing Date;

(ii) No material adverse change in the title to, condition of, or otherwise respecting the Property or Seller's interest therein shall have occurred (except as may have been caused by Buyer's due diligence and investigation activities) and all of Seller's representations and warranties contained in this Agreement shall be true, complete and correct as of the Closing Date;

(iii) All Seller's Closing Documents (defined in Section 8) shall have been timely deposited into escrow with the Title Company by Seller and Seller must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

8. **SELLER'S CLOSING DOCUMENTS.** At least one business day prior to the Closing, Seller shall have deposited into escrow with the Title Company the following documents (the "Seller's Closing Documents"): (a) a grant deed showing title vested in Buyer or its assignee in a form mutually acceptable to the parties (the "Deed"), executed by Seller, in recordable form, conveying good and marketable fee title to the Property to Buyer free and clear of all claims, liens and encumbrances of every kind and description except those approved by Buyer in accordance with Section 3, which will be evidenced at Closing by an ALTA owner's standard policy of title insurance in the amount of the Purchase Price (the "Owner's Policy"); (b) an affidavit certifying that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code; (c) reasonable proof of Seller's power and authority to enter into and perform under this Agreement (including the authority of Seller's signatories); and (d) any other documents, instruments or agreements reasonably necessary to close the transaction as contemplated by this Agreement.

9. **BUYER'S CLOSING DOCUMENTS.** At least one business day prior to the Closing, Buyer shall deliver to Seller or Title Company: (a) the Purchase Price, less the Deposit and any other amounts to be credited to Buyer pursuant to this Agreement, by wire transfer; (b) reasonable proof of the authority of Buyer's signatories; and (c) any other documents, instruments or agreements reasonably necessary to close the transaction as contemplated by this Agreement.

10. **PRORATIONS AND ADJUSTMENTS.** The following shall be prorated and

adjusted between Seller and Buyer as of the day of the Closing: (a) accrued general real estate and ad valorem taxes and assessments for the current tax year; and (b) such other items that are customarily prorated in transactions of this nature. For purposes of calculating prorations, Buyer shall be deemed to be in title to the Property for the entire day upon which the Closing occurs. All such prorations shall be made on the basis of the actual number of days of the month which shall have elapsed as of the day of the Closing and based upon a thirty (30) day month and a three hundred sixty (360) day year. The amount of such prorations shall be adjusted in cash after the Closing as necessary, as and when complete and accurate information becomes available.

11. **CLOSING.**

(a) **Closing.** Subject to the terms and conditions (including all conditions to Buyer's obligations to perform under this Agreement) set forth in this Agreement and unless otherwise mutually agreed by Buyer and Seller in writing, or unless this Agreement has been terminated in accordance with its terms, the parties shall consummate the purchase of the Property (the "Closing") on the Closing Date.

(b) **Closing Date.** The "Closing Date" means December 31, 2023 (the "Outside Closing Date"), or such other date as Seller and Buyer may mutually agree to in writing. Notwithstanding the foregoing, in the event that Buyer fails to obtain the Tax Credit Award prior to the expiration of the Tax Credit Award Contingency Period, then Buyer shall have the option to extend the Outside Closing Date to September 30, 2024 (the "Extension Option"). Buyer may exercise the Extension Option by delivering written notice thereof to Seller and depositing an additional deposit of Fifty Thousand Dollars (\$50,000.00) (the "Additional Deposit") with the Title Company prior to the expiration Tax Credit Award Contingency Period. The Additional Deposit shall be nonrefundable to Buyer and applicable towards the Purchase Price and the Title Company shall immediately release such amount to Seller.

(c) **Deposit of Documents and Funds.** Upon the dates required pursuant to Section 8 and Section 9:

(i) Seller shall deposit into escrow the Seller's Closing Documents.

(ii) Buyer shall deposit into escrow those funds and documents described in Section 9.

(d) **Closing Conditions.** Title Company shall close escrow on the Property when (i) all of Buyer's Closing Conditions have been satisfied or waived, (ii) all Seller's Closing Documents have been deposited or delivered as required, and (iii) all documents and funds described in Section 9 have been deposited into escrow by Buyer.

(e) **Closing.** The Title Company shall close escrow by:

(i) Dating all undated closing documents as of the Closing Date;

(ii) Recording the Deed (which grant deed shall provide for delivery thereof to Buyer after recordation);

(iii) Issuing or irrevocably and unconditionally committing to issue the required Owner's Policy to Buyer; and

(iv) Paying the Purchase Price to Seller, less any credits to Buyer pursuant to this Agreement, and subject to any amounts required to be paid for closing costs as set forth in Section 12.

12. **CLOSING COSTS.**

(a) **Seller.** Seller shall pay (i) the County documentary transfer taxes; (ii) the premium for the Owner's Policy; (iii) all costs associated with removing any claims, liens or encumbrances from the Property, including, without limitation, any deferred taxes, assessments or improvement district liens or other liens for completed improvements, (iv) any sales taxes; (v) one-half of the Title Company escrow fee; and (vi) its own document drafting charges.

(b) **Buyer.** Buyer shall pay (i) if Buyer desires an ALTA extended coverage owner's policy of title insurance, the additional premium over the premium for the Owner's Policy; (ii) one-half of the Title Company escrow fee; (iii) one-half of the County documentary transfer taxes; and (iv) its own document drafting charges.

(c) All other closing costs, transfer taxes, recording fees, and any other costs related to this escrow shall be payable by Seller and Buyer according to the customary practices for the transfer of real property in Butte County.

13. **DAMAGE, CONDEMNATION.** If, prior to Closing, any material portion of the Property is damaged or taken by eminent domain (or is the subject of a pending taking which has not been consummated), Seller shall immediately notify Buyer of such a fact, and Buyer shall have the option to terminate this Agreement upon notice given to the Seller no later than thirty (30) days after the date of Seller's notice. If this Agreement is terminated pursuant to this provision, the Title Company shall return the amount of the Deposit not already released to Seller pursuant to this Agreement to Buyer, the Title Company shall return any documents in escrow to the party depositing such documents, and Buyer and Seller shall each pay one-half (1/2) the cost of any cancellation fees or costs of Title Company. Thereafter neither Buyer nor Seller shall have any further rights or obligations hereunder, each to the other, except as otherwise set forth in this Agreement. If this Agreement is not terminated, Seller shall assign and turn over at the Closing, and Buyer shall be entitled to receive and keep, all insurance proceeds for damage or awards for the taking by eminent domain relating to the Property, and Buyer and Seller shall proceed to the Closing pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price.

14. **BROKERS.** Buyer is represented in the purchase of the Property by Malcolm Rickards of Brown Stevens Elmore & Sparre (the "Buyer Broker"). Seller is represented in the sale of the Property by Century 21 Select Commercial (the "Seller Broker"). Seller shall be

solely responsible for payment of any and all commissions and other fees payable to the Buyer Broker and the Seller Broker in connection with the purchase and sale of the Property. Seller and Buyer each represent and warrant to the other that they have dealt with no other real estate brokers, finders or agents with respect to the transaction contemplated by this Agreement other than the Buyer Broker and Seller Broker. Seller and Buyer each agree to indemnify, defend and hold the other harmless from and against any claim or liability, as well as court costs and legal fees, arising out of claims contrary to the foregoing representations and warranties by a party claiming to have dealt with the indemnifying party. Notwithstanding anything to the contrary contained herein, the mutual indemnities contained in this Section 14 shall survive Closing or any termination of this Agreement and shall not be subject to the limitations on remedies of Seller or Buyer set forth herein.

15. **DEFAULT.**

(a) **Buyer Default.** IN THE EVENT THE CLOSING DOES NOT OCCUR DUE TO A MATERIAL DEFAULT BY BUYER OF ITS OBLIGATIONS UNDER THIS AGREEMENT, THE AMOUNT OF THE DEPOSIT SHALL BE RETAINED BY AND PAID OUT OF ESCROW TO SELLER AS LIQUIDATED DAMAGES. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A MATERIAL DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE AMOUNT DESCRIBED IN THIS SECTION 15 REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. SELLER SHALL HAVE NO RIGHT TO ADDITIONAL DAMAGES OR ANY OTHER REMEDIES UNDER THIS AGREEMENT, AND SELLER WAIVES ALL RIGHT TO AN ACTION FOR SPECIFIC PERFORMANCE OF THIS AGREEMENT.

SELLER'S INITIALS: lw BUYER'S INITIALS: SD

(b) **Seller Default.** In the event the purchase and sale of the Property does not occur due to a default by Seller of its obligations under this Agreement (including without limitation a breach of any representation or warranty made by Seller), then Buyer may elect as its sole and exclusive remedies to either: (a) terminate this Agreement upon written notice to Seller, upon which event all of the Deposit in escrow shall be immediately refunded to Buyer, or (b) enforce the right to seek a judgment compelling the specific performance of this Agreement and return of all Deposit in escrow, and the right to recover attorneys' fees pursuant to Section 17(k) below. In the event of any material breach of the Seller's representations and warranties, then, after Closing, (1) in no event may Buyer bring any claim against Seller unless the total damages for Seller's breach are at least Twenty Thousand Dollars (\$20,000.00), (2) in no event shall Seller's aggregate liability to Buyer for any and all breaches of this Agreement (including without limitation representations, warranties, covenants, or indemnities) exceed the fifty percent (50%) of the Purchase Price, and (c) in no event may Buyer bring any such claim or file suit thereon more than one (1) year after the Closing.

(c) Notwithstanding anything to the contrary in this Agreement, neither Buyer nor

Seller shall be liable to the other for punitive or consequential damages as a result of a breach or default under this Agreement. In no event shall any member, officer, manager, director, principal, partner or shareholder, employee, or beneficiary, trustee or agent of Seller or any of the foregoing have any personal liability, directly, indirectly, under or in connection with this Agreement or the Property or any agreement made or entered into under or pursuant to the provisions of this Agreement or any amendment made to any of the foregoing at any times heretofore or hereafter, and Buyer and its successors and assigns shall look solely to Seller's interest in the Property for the payment of any claim or for any performance and Buyer, and on behalf of itself and its successors and assigns, hereby waives any such personal liability. This Section 15(c) shall survive the Closing and shall not merge into the Deed or any other closing documents.

16. **"AS-IS" SALE.** Except as otherwise specifically provided in this Agreement, Seller makes no representation or warranty regarding any aspect of the condition of the Property, its past use, or its suitability for Buyer's intended use. Without limiting the generality of the foregoing provision, but subject to any representations, warranties and covenants expressly set forth in this Agreement which shall survive the Closing, Buyer hereby acknowledges and agrees that, except as expressly provided herein, it is purchasing the Property in its "AS IS, WHERE IS, WITH ALL FAULTS," condition as of the Closing, and neither Seller nor any employee or agent of Seller has made or will make, either expressly or implicitly (except as set forth in this Agreement), and Buyer has not relied upon (except as set forth in this Agreement), any representations, guaranties, promises, statements, assurances or warranties of any kind concerning the Property.

As of the Closing Date, and with the exception of any breach of Seller's representations, warranties and covenants under this Agreement or under any documents executed and delivered by Seller at Closing and Seller's fraud, Buyer hereby releases Seller and each Seller's trustees, beneficiaries, managers, members, shareholders, owners, employees, officers, agents and representatives ("Released Parties") from any and all claims, responsibility and/or liability that it may now have or hereafter acquire against any of the Released Parties for any costs, loss, liability, damage, expenses, attorneys fees, demand, action or cause of action arising from or related to the Property or Condition of the Property. This release includes claims of which Buyer is presently unaware or which Buyer does not presently suspect to exist which, if known by Buyer, would materially affect Buyer's release of the Released Parties. Buyer specifically waives the provision of California Civil Code Section 1542 (and any similar law or statute of any other jurisdiction), which provides as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY." This Section 16 shall survive the Closing and shall not merge into the Deed or any other closing documents.

17. **MISCELLANEOUS.**

(a) Each individual and entity executing this Agreement hereby represents

and warrants that he, she or it has the capacity set forth on the signature pages hereof with full power and authority to bind the party on whose behalf he, she or it is executing this Agreement to the terms hereof.

(b) This Agreement is the entire Agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements between the parties with respect to the matters contained in this Agreement. Any waiver, modification or consent with respect to any provision of this Agreement must be set forth in writing and duly executed by the parties. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

(c) Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement. Each party agrees to act diligently and in good faith in performing its obligations under this Agreement.

(d) All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or electronic mail, shall be deemed received upon (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, three (3) business days after the date of posting by the United States post office, (iii) if delivered by overnight delivery, one (1) business day after mailing, and (iv) if given by electronic mail, when sent. Any notice, request, demand, direction or other communication sent by electronic mail must be confirmed by letter mailed or delivered within two (2) business days of such electronic mail notice in accordance with Section 17(d)(i), (ii) or (iii).

Seller: Paradise Investment Group, LLC
2605 Camino Tassajara #2408
Danville, CA 94526
Attn: Romney White
Email: Romney@eyringrealty.com

Buyer: Mercy Housing California
2512 River Plaza Drive, Ste 200
Sacramento, CA 95833
Attn: Stephan Daues
Email: sdaues@mercyhousing.org

With a copy to:

Gubb & Barshay LLP
505 14th Street, Suite 450
Oakland, CA 94612
Attn: Evan Gross
Email: egross@gubbandbarshay.com

Any party may change its address for notice by written notice given to the other in the

manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date personally served, if by personal service, or on the date shown on the return receipt or other evidence of delivery, if mailed.

(e) The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

(f) The making, execution and delivery of this Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

(g) Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement.

(h) Section and paragraph headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(j) In the event of any dispute between the parties regarding this Agreement, prior to exercising any remedies hereunder the parties shall first attempt in good faith to resolve the dispute through non-binding mediation before a neutral mediator at JAMS, or any other mutually agreeable neutral mediator. The parties shall meet with the mediator as requested by the mediator within a thirty (30) day period in an attempt to resolve the dispute. Each party shall pay for one-half of the cost of the mediator and for its own costs. If the dispute cannot be resolved through mediation, then the parties may proceed to exercise the remedies available to them under this Agreement.

(k) If any action is brought by either party against the other party, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, copying and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney.

(l) Subject to Section 17(m), this Agreement shall be binding upon and inure to the benefit of each of the parties hereto and to their respective transferees, successors, and assigns.

(m) Neither this Agreement nor any of the rights or obligations of Seller hereunder shall be transferred or assigned by Seller without the prior written consent of Buyer, which may be given or withheld in Buyer's reasonable discretion. Buyer may assign this Agreement and Buyer's rights and obligations hereunder without the Seller's written consent to (i) a nonprofit public benefit corporation affiliated with Buyer, or (ii) a limited partnership in which Buyer or an affiliated nonprofit public benefit corporation or limited liability company is the general partner or the managing general partner. Buyer shall deliver a copy of the fully executed written assignment and assumption agreement to the Title Company prior to the Closing. No other assignment may be made without the prior written consent of the Seller, which may be given or withheld in Seller's sole and absolute discretion.

(n) Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Buyer with respect to the Property to be conveyed as contemplated hereby.

(o) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Executed counterparts of this Agreement may be delivered by email and such delivery will have the same effect as delivery of an original executed counterpart of this Agreement.

(p) If requested to do so by Seller, Buyer shall cooperate in a simultaneous or tax deferred exchange by permitting Seller to assign this Agreement to a third party (also "Exchange Facilitator") and by accepting a conveyance of the Property from the Exchange Facilitator. The assignment may take effect only simultaneously with the Closing, and in no event shall Seller be relieved of any liability under this Agreement by reason of the assignment and in no event shall the Exchange Facilitator have any right to enforce this Agreement that Seller would not have if there had been no assignment. Buyer shall not be required to bear any escrow, title, or other expenses in excess of those Buyer would bear if there were no exchange, nor shall Buyer be required to expend any sums of money in connection with the exchange. Buyer shall not be required to execute any document creating personal liability or assume or be exposed to any liability in connection with an exchange. In no event shall Buyer be required to take title to any property other than the Property, and in no event shall Buyer be responsible for any tax consequences to Seller or any other party in connection with an exchange. Seller agrees and covenants to defend, indemnify, protect, and save harmless Buyer from any liability, damages, loss, cost and expense (including reasonable attorneys' fees) of whatsoever kind and nature arising out of any exchange.

(q) Except as required in order to obtain the Financing or the Entitlements, the parties hereto shall maintain strict confidentiality regarding all aspects of the transactions contemplated by this Agreement, including, but not limited to, price, terms, condition, proposed use and the contents of all related agreements and documents provided by Seller to Buyer for Buyer's inspection; provided, however, the parties may disclose information about the transaction to their respective attorneys, professional advisers and consultants in connection with the transaction.

[remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

SELLER:

PARADISE INVESTMENT GROUP, LLC, a
California limited liability company

By: Eyring Realty, Inc., a California corporation

By: 
Romney White, Vice President

Date: 4/25/22

BUYER:

MERCY HOUSING CALIFORNIA, a California
nonprofit public benefit corporation

By: 
Name: Stephan Daues
Title: Vice President

Date: 4/26/22

PURCHASE AND SALE AGREEMENT
(Cypress Lane and Adams Road, Paradise, California)

THIS PURCHASE AND SALE AGREEMENT (the "Agreement") is made as of the last date indicated by the signatures of Buyer and Seller below (the "Effective Date"), by and between California Vocations, Inc., a California nonprofit public benefit corporation ("Seller"), and Mercy Housing California, a California nonprofit public benefit corporation ("Buyer").

WHEREAS, Seller is the fee owner of that certain real property consisting of approximately 4.7 acres land located at Cypress Lane and Adams Road in Paradise, California (Assessor's Parcel Nos. 050-140-162 and 050-140-153) (the "Land"), together with any and all improvements located thereon (the "Improvements"). The Land and Improvements are defined herein collectively as the "Property";

WHEREAS, Buyer desires to buy, and Seller desires to sell, the Property on the terms and conditions set forth in this Agreement; and

WHEREAS, Buyer intends to develop the Property into a multifamily housing project reserved for low income tenants (the "Project").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer mutually agree as follows:

1. **PURCHASE AND SALE.** Seller hereby agrees to sell to Buyer and Buyer hereby agrees to purchase from Seller all of Seller's right, title and interest in and to the Property, subject to the terms of this Agreement. In addition to the Land and the Improvements included within the term "Property," as described above, the "Property" to be transferred hereunder shall also include all of Seller's right title and interest in and to, if any, (i) all rights, privileges and easements appurtenant to the Property, including, without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Land (if owned by Seller), as well as all development rights and approvals (subject to any limitations in Section 4), air rights, water, water rights and water stock relating to the Property and any other easements, rights of way or appurtenances used in connection with the beneficial use and enjoyment of the Land (collectively, the "Appurtenances"), and (ii) all governmental permits and approvals, environmental reports, surveys, other reports, studies and all other plans, specifications, books, records and files, any and all licenses, permits, and other governmental approvals, any and all warranties, guaranties, claims, demands and indemnities, and any and all other intangible rights relating to the ownership, use and operation of all or any part of the Property (collectively, the "Intangible Property").

2. **THE PURCHASE PRICE.** The purchase price of the Property shall be Four Hundred Fifty Thousand Dollars (\$450,000.00) (the "Purchase Price"). Notwithstanding the foregoing, if, during the Feasibility Review Period, Buyer obtains an appraisal of the Property prepared by an independent third party which appraises the Property at value lower than Four Hundred Fifty Thousand Dollars (\$450,000.00), then the parties agree to negotiate a reduction to the Purchase Price, in good faith, prior to the expiration of the Feasibility Review Period. If

applicable, the parties agree to enter into an amendment to this Agreement memorializing any such reduction to the Purchase Price prior to the expiration of the Feasibility Review Period. The Purchase Price shall be payable as follows:

(a) Within three (3) business days following the Effective Date, Buyer and Seller shall open an escrow with Fidelity National Title Company, 8525 Madison Ave, Ste 110, Fair Oaks, CA 958628, Attn: Sara Rewinkle, Phone: 916-646-6098, Email: sara.rewinkle@fnf.com (the "Title Company"), shall deposit a fully signed copy of this Agreement into escrow with the Title Company, and shall execute such instructions as the Title Company may require which are not inconsistent with the provisions of this Agreement.

(b) Within five (5) business days following the Effective Date, Buyer shall deposit with the Title Company via check or wire transfer an earnest money deposit in the amount of Forty-Five Thousand Dollars (\$45,000.00) (the "Deposit"). The Deposit shall remain fully refundable to Buyer until the expiration of the Feasibility Review Period.

(c) The balance of the Purchase Price shall be deposited with the Title Company by Buyer in accordance with Section 9 below.

3. FEASIBILITY REVIEW; FINANCING CONTINGENCIES.

(a) The "Feasibility Review Period" shall be the period beginning on the Effective Date and ending at 5:00 p.m. (Pacific Time) on the date which is six (6) months following the Effective Date.

(b) Within twenty (20) days after the Effective Date, Seller shall provide to Buyer a current preliminary title report for the Property (the "Title Report"), together with copies of all documents relating to the title exceptions referred to in such Title Report. In addition, to the extent that such items exist and are in the Seller's possession or control, Seller shall provide to Buyer true, correct and complete copies of the following due diligence items concerning the Property (the "Due Diligence Documents") no later than fifteen (15) business days following the Effective Date:

(i) Any plans relating to grading, erosion control, water, sewer, storm drain, street improvement, landscape and parks or other infrastructure or improvements affecting the Land;

(ii) Any relevant correspondence with government entities, including but not limited to the California Department of Transportation;

(iii) All physical inspection reports;

(iv) The most current real property tax bills;

(v) Information on any applicable community facilities district assessments;

(vi) All reports and studies regarding the physical condition of the Property, including but not limited to environmental, biological, archaeological, soils and engineering reports and studies;

(vii) Surveys and topographic maps;

(viii) Covenants, conditions and restrictions rights of use or access, whether or not recorded against the Property;

(ix) Notifications by any municipality regarding the Land or any portion thereof;

(x) Copies of all agreements, service contracts or other documents affecting the Property, including any assignable warranties;

(xi) Any land use or occupancy restriction affecting the Land;

(xii) Copies of any financing documents affecting the Property;

(xiii) Copies of any non-confidential documents relating to disputes, litigation, or settlement of any claims from or against adjacent property owners that could affect Buyer's proposed development of the Property; and

(xiv) Any other information regarding the physical, legal or financial condition of the Property.

(c) From and after the Effective Date, Seller shall provide Buyer, its agents and representatives access to the Property, and Buyer, its agents and representatives shall be entitled to enter onto the Property to perform inspections, surveys, tests and appraisals of the Property, including invasive testing, and make any other investigations necessary or appropriate (including discussions with governmental agencies) to determine if the Property is suitable, in Buyer's sole discretion, for Buyer's intended use, subject to each of the following conditions:

(i) Buyer shall provide written notice to Seller prior to any desired access.

(ii) After making such tests and inspections, Buyer agrees to promptly restore the Property to its condition prior to such tests and inspections.

(iv) Buyer shall indemnify and hold harmless Seller from all loss, cost and expense (including reasonable attorneys' fees) incurred, suffered by, or claimed against the Seller and caused by Buyer's exercising its rights under this Section 3(c), which indemnity obligation shall survive the expiration or termination of this Agreement.

(v) Buyer shall name, and shall cause its representatives, employees, agents and independent contractors to name, Seller as additionally insured party under Buyer's or its representatives, employees, agents and independent contractors' commercial general liability insurance on an "occurrence basis" against claims for

“personal injury”, including without limitation, bodily injury or death, or “property damage”, for not less than \$1,000,000 per occurrence.

(d) On or before the expiration of the Feasibility Review Period, Buyer shall provide Seller with (i) written notice (the “Approval Notice”) of its approval of those matters described in Sections 3(b) and 3(c) and any other matters related to the condition of the Property (the “Due Diligence Matters”), as determined by Buyer in its sole and absolute discretion. If Buyer does not provide the Approval Notice prior to the expiration of the Feasibility Review Period, then this Agreement shall automatically terminate as of the expiration of the Feasibility Review Period. If prior to the expiration of the Feasibility Review Period, Buyer delivers notice that any Due Diligence Matter is disapproved (“Disapproval Notice”), then Seller will have ten (10) days after delivery of Buyer’s Disapproval Notice to deliver written notice to Buyer (“Seller’s Cure Notice”), (i) with respect to any disapproved Due Diligence Matter arising or resulting from any act or omission of Seller, specifying the manner in which it will remove or cure such disapproved item, and (ii) with respect to any other disapproved item, specifying either (1) the manner in which Seller will remove or cure such disapproved item, or (2) that Seller will not remove or cure such disapproved item. If Seller fails to timely deliver its Seller’s Cure Notice, Seller will be deemed to have not agreed to cure all items of the type described in this Section 3(d)(ii) as set forth in the Disapproval Notice. Following any election or deemed election by Seller not to cure any such disapproved item contained in the Disapproval Notice, Buyer will have ten (10) days after delivery of Seller’s Cure Notice to deliver to Seller Buyer’s notice of its election to either (i) proceed with the purchase of the Property subject to any disapproved items Seller does not elect to cure, or (ii) terminate this Agreement. Buyer’s failure to deliver such notice will be deemed its election to terminate this Agreement. Upon a termination of this Agreement under this Section 3(d), the Title Company is instructed to return the Deposit to Buyer. If Seller is obligated or elects to cure or remove a disapproved item and fails to do so at least five (5) business days prior to the Closing Date (defined in Section 11(b)), Seller shall be in material default under this Agreement and Buyer shall be entitled to all rights and remedies hereunder. If this Agreement has not been terminated or deemed terminated by the end of the Feasibility Review Period, then the Deposit shall become nonrefundable to Buyer and applicable towards the Purchase Price.

(e) Notwithstanding anything to the contrary in this Agreement, on or before the Closing, Seller shall be obligated to remove all monetary liens and encumbrances securing the payment of money from title to the Property. Buyer shall have until the expiration of the Feasibility Review Period to deliver written notice of any objections to the exceptions shown on the Title Report (“Title Objections”). Seller will have ten (10) days after delivery of Buyer’s Title Objection notice to deliver written notice to Buyer (“Seller’s Title Notice”), (i) with respect to any Title Objections that are monetary liens or encumbrances securing the payment of money and that arise or result from any act or omission of Seller, specifying the manner in which it will remove or cure such objection, and (ii) with respect to any other Title Objections, specifying either (1) the manner in which Seller will remove or cure such Title Objection, or (2) that Seller will not remove or cure such Title Objection. If Seller fails to timely deliver its Seller’s Title Notice, Seller will be deemed to not have agreed to cure all Title Objections of the type described in this Section 3(e)(ii). Following any election or deemed election by Seller not to cure any such Title Objection, Buyer will have ten (10) days after delivery of Seller’s Title

Notice to deliver to Seller Buyer's notice of its election to either (i) proceed with the purchase of the Property, or (ii) terminate this Agreement. Buyer's failure to deliver such notice, will be deemed its election to terminate this Agreement. Upon a termination of this Agreement under this Section 3(e), the Title Company is instructed to return the Deposit to Buyer. If Seller is obligated or elects to cure or remove a Title Objection and fails to do so at least five (5) business days prior to the Closing Date, Seller shall be in material default under this Agreement and Buyer shall be entitled to all rights and remedies hereunder.

4. **REPRESENTATIONS AND WARRANTIES OF SELLER.** The effect of the representations and warranties made in this Agreement shall not be diminished or deemed to be waived by any inspections, tests or investigations made by Buyer or its agents. Seller represents and warrants to Buyer that the following matters are true and correct as of the execution of this Agreement and, will be true and correct as of the Closing:

(a) Seller is a California nonprofit public benefit corporation, duly formed, in good standing and validly operating under the laws of the State of California.

(b) Seller has the right, power and authority to sell, convey and transfer the Property to Buyer as provided herein, and to perform Seller's obligations hereunder and no further consents or approvals are required as a condition to any of the foregoing.

(c) This Agreement and all of the documents to be delivered by Seller to Buyer at the Closing will be duly authorized, executed and delivered by Seller, and will be legal and binding obligations of Seller enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally).

(d) To the best of Seller's knowledge, there are no (a) condemnation, zoning or other land-use regulation proceedings, either instituted or planned to be instituted, which would detrimentally affect the value or use of the Property, and (b) assessments affecting the Property other than as set forth in the Title Report.

(e) To the best of Seller's knowledge, there are no pending actions, suits, proceedings, judgments, orders, decrees, defaults, delinquencies or deficiencies or other actions affecting the Property or Seller's interest therein, nor are there any attachments, execution proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings pending against Seller, nor are any such proceedings contemplated by Seller. Seller has received no notice of any of the foregoing actions or proceedings and, to the best of Seller's knowledge, none of the same have been threatened against Seller, the Property or any interest therein.

(f) Except as disclosed in the Due Diligence Materials, there are no individuals or entities with any lease or other agreement which grants any rights to use and/or occupy any portion of the Property.

(g) Except to the extent disclosed in the Due Diligence Materials, Seller has

no actual knowledge of (i) the existence or prior existence on the Property of any hazardous materials or toxic substances (collectively, "Hazardous Materials" as defined below) , (ii) of any violations at the Property of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene or to the environmental conditions on, under, or about the Property, including but not limited to soil and groundwater conditions, (iii) of any environmental, health, or safety hazards on, under, or about the Property, including but not limited to soil and groundwater conditions. Moreover, Seller has not and hereby covenants that it will not through the Closing, use, treat, store or dispose of any Hazardous Materials at the Property in violation of any federal, state, or local law, regulation or ordinance, and to the best of Seller's knowledge there are no Hazardous Materials located on or about the Property.

As used herein, the term "Hazardous Material(s)" shall mean (1) any oil or any fraction thereof or petroleum products or "hazardous substance" as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14) or Section 25281(h) or 25316 of the California Health and Safety Code at such time; any "hazardous waste," "infectious waste" or "hazardous material" as defined in Section 25117, 25117.5 or 25501 (j) of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as "toxic" or "hazardous" in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300 (f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq. Section 39000 et seq.), or California Water Code (Section 13000 et seq.) at such time, or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing criminal or civil liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect; (2) any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws (whether common law, statute, rule, regulation, or otherwise) relating to the Property or for the protection of human health, the environment or natural resources; and (3) any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability or under any reported decisions of a state or federal court. Hazardous Materials do not include substances of a type and quantity normally used in the operation and maintenance of improved real property, provided such materials are used in accordance with all applicable laws.

(h) The Due Diligence Materials to be delivered to Buyer are true, correct and complete, and to the best of Seller's knowledge, there are no defaults, notices of default or other material circumstances regarding the matters investigated by Buyer pursuant to Section 3 of this Agreement which have not been disclosed to Buyer.

(i) To the best of Seller's knowledge, neither the Property nor its operation violates in any way any applicable laws, ordinances, rules, regulations, judgments, orders, or covenants, conditions and restrictions, whether federal, state, local, foreign, or private. The Improvements are not in violation of any applicable building or zoning codes, building moratorium or environmental protection codes, laws, regulations, or ordinances.

5. RESERVED.

6. REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer represents and warrants to Seller that the following matters are true and correct as of the execution of this Agreement and will be true and correct as of the Closing:

(a) Buyer is a California nonprofit public benefit corporation, duly formed, in good standing and validly operating under the laws of the State of California.

(b) This Agreement and all of the documents to be delivered by Buyer to Seller at the Closing will be duly authorized, executed and delivered by Buyer, and will be legal and binding obligations of Buyer enforceable in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally).

7. COVENANTS AND CLOSING CONDITIONS

(a) Seller hereby covenants with Buyer as follows:

(i) Seller agrees that as of the Closing, no part of the Property, or any interest therein, will be liened, encumbered or have been otherwise transferred in any manner, including but not limited to the granting of any leasehold rights of occupancy or rights of use without Buyer's prior written consent, which may given or withheld by Buyer in its sole and absolute discretion. Seller shall not enter into any new leases for the Property without the prior consent of Buyer, which consent may be withheld in Buyer's sole and absolute discretion.

(ii) Seller shall maintain the Property substantially in its condition existing as of the Effective Date, reasonable wear and tear excepted, and Seller will make no alterations to the Property without Buyer's prior written consent, which may given or withheld by Buyer in its sole and absolute discretion.

(iii) Seller shall (x) timely make all payments of property taxes and other assessments that become due and payable respecting the Property prior to the Closing, (y) shall obtain and maintain in effect through the Closing and shall timely pay all premiums for commercially reasonable amounts of comprehensive general liability, casualty (full replacement cost) and other appropriate insurance on the Property, and (y) shall timely make all principal and interest payments required under any mortgages encumbering the Property (which mortgages shall be removed from title prior to the Closing as required pursuant to Section 3(e) of this Agreement).

(iv) Seller shall promptly notify Buyer of any change in any condition with respect to the Property or of any event or circumstance which makes any representation or warranty of Seller to Buyer under this Agreement materially untrue or misleading, or any covenant of Seller under this Agreement incapable of being performed.

(b) The obligations of Buyer hereunder are subject to the fulfillment of each of the following conditions as of the Closing ("Buyer's Closing Conditions"), which Buyer's Closing Conditions are solely for Buyer's benefit and may be waived in writing by Buyer in its sole discretion:

(i) Seller shall be in a position to convey, transfer or assign, as applicable, the Property and the Title Company shall be irrevocably and unconditionally committed to issue the Owner's Policy (defined in Section 8), each in accordance with the terms of and as described in Section 8, on the Closing Date;

(ii) No material adverse change in the title to, condition of, or otherwise respecting the Property or Seller's interest therein shall have occurred and all of Seller's representations and warranties contained in this Agreement shall be true, complete and correct as of the Closing Date;

(iii) All Seller's Closing Documents (defined in Section 8) shall have been timely deposited into escrow with the Title Company by Seller and Seller must have performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it before or on the Closing Date.

8. **SELLER'S CLOSING DOCUMENTS.** At least one business day prior to the Closing, Seller shall have deposited into escrow with the Title Company the following documents (the "Seller's Closing Documents"): (a) a grant deed showing title vested in Buyer or its assignee in a form mutually acceptable to the parties (the "Deed"), executed by Seller, in recordable form, conveying good and marketable fee title to the Property to Buyer free and clear of all claims, liens and encumbrances of every kind and description except those approved by Buyer in accordance with Section 3, which will be evidenced at Closing by an ALTA owner's standard policy of title insurance in the amount of the Purchase Price (the "Owner's Policy"); (b) an affidavit certifying that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code; (c) reasonable proof of Seller's power and authority to enter into and perform under this Agreement (including the authority of Seller's signatories); and (d) any other documents, instruments or agreements reasonably necessary to close the transaction as contemplated by this Agreement.

9. **BUYER'S CLOSING DOCUMENTS.** At least one business day prior to the Closing, Buyer shall deliver to Seller or Title Company: (a) the Purchase Price, less the Deposit and any other amounts to be credited to Buyer pursuant to this Agreement, by wire transfer; (b) reasonable proof of the authority of Buyer's signatories; and (c) any other documents, instruments or agreements reasonably necessary to close the transaction as contemplated by this Agreement.

10. **PRORATIONS AND ADJUSTMENTS.** The following shall be prorated and adjusted between Seller and Buyer as of the day of the Closing: (a) accrued general real estate and ad valorem taxes and assessments for the current tax year; and (b) such other items that are customarily prorated in transactions of this nature. For purposes of calculating prorations, Buyer

shall be deemed to be in title to the Property for the entire day upon which the Closing occurs. All such prorations shall be made on the basis of the actual number of days of the month which shall have elapsed as of the day of the Closing and based upon a thirty (30) day month and a three hundred sixty (360) day year. The amount of such prorations shall be adjusted in cash after the Closing as necessary, as and when complete and accurate information becomes available.

11. CLOSING.

(a) Closing. Subject to the terms and conditions (including all conditions to Buyer's obligations to perform under this Agreement) set forth in this Agreement and unless otherwise mutually agreed by Buyer and Seller in writing, or unless this Agreement has been terminated in accordance with its terms, the parties shall consummate the purchase of the Property (the "Closing") on the Closing Date.

(b) Closing Date. The "Closing Date" means December 31, 2023 (the "Outside Closing Date"), or such other date as Seller and Buyer may mutually agree to in writing. Notwithstanding the foregoing, Buyer shall have two (2) options to extend the Outside Closing Date for a period of one hundred eighty (180) days (each, an "Extension Option"). Buyer may exercise an Extension Option by delivering written notice thereof to Seller and depositing an additional deposit of Fifteen Thousand Dollars (\$15,000.00) (an "Additional Deposit") with the Title Company prior to the expiration then-applicable Outside Closing Date. Each Additional Deposit shall be nonrefundable to Buyer and applicable towards the Purchase Price.

(c) Deposit of Documents and Funds. Upon the dates required pursuant to Section 8 and Section 9:

(i) Seller shall deposit into escrow the Seller's Closing Documents.

(ii) Buyer shall deposit into escrow those funds and documents described in Section 9.

(d) Closing Conditions. Title Company shall close escrow on the Property when (i) all of Buyer's Closing Conditions have been satisfied or waived, (ii) all Seller's Closing Documents have been deposited or delivered as required, and (iii) all documents and funds described in Section 9 have been deposited into escrow by Buyer.

(e) Closing. The Title Company shall close escrow by:

(i) Dating all undated closing documents as of the Closing Date;

(ii) Recording the Deed (which grant deed shall provide for delivery thereof to Buyer after recordation);

(iii) Issuing or irrevocably and unconditionally committing to issue the required Owner's Policy to Buyer; and

(iv) Paying the Purchase Price to Seller, less any credits to Buyer pursuant to this Agreement, and subject to any amounts required to be paid for closing costs as set forth in Section 12.

12. CLOSING COSTS.

(a) Seller. Seller shall pay (i) the County documentary transfer taxes; (ii) the premium for the Owner's Policy; (iii) all costs associated with removing any claims, liens or encumbrances from the Property, including, without limitation, any deferred taxes, assessments or improvement district liens or other liens for completed improvements, (iv) any sales taxes; (v) one-half of the Title Company escrow fee; and (vi) its own document drafting charges.

(b) Buyer. Buyer shall pay (i) if Buyer desires an ALTA extended coverage owner's policy of title insurance, the additional premium over the premium for the Owner's Policy; (ii) one-half of the Title Company escrow fee; (iii) one-half of the County documentary transfer taxes; and (iv) its own document drafting charges.

(c) All other closing costs, transfer taxes, recording fees, and any other costs related to this escrow shall be payable by Seller and Buyer according to the customary practices for the transfer of real property in Butte County.

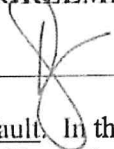
13. DAMAGE, CONDEMNATION. If, prior to Closing, any material portion of the Property is damaged or taken by eminent domain (or is the subject of a pending taking which has not been consummated), Seller shall immediately notify Buyer of such a fact, and Buyer shall have the option to terminate this Agreement upon notice given to the Seller no later than thirty (30) days after the date of Seller's notice. If this Agreement is terminated pursuant to this provision, the Title Company shall return the amount of the Deposit not already released to Seller pursuant to this Agreement to Buyer, the Title Company shall return any documents in escrow to the party depositing such documents, and Buyer and Seller shall each pay one-half (1/2) the cost of any cancellation fees or costs of Title Company. Thereafter neither Buyer nor Seller shall have any further rights or obligations hereunder, each to the other, except as otherwise set forth in this Agreement. If this Agreement is not terminated, Seller shall assign and turn over at the Closing, and Buyer shall be entitled to receive and keep, all insurance proceeds for damage or awards for the taking by eminent domain relating to the Property, and Buyer and Seller shall proceed to the Closing pursuant to the terms hereof, without modification of the terms of this Agreement and without any reduction in the Purchase Price.

14. BROKERS. Seller and Buyer each represent and warrant to the other that they have dealt with no real estate brokers, finders or agents with respect to the transaction contemplated by this Agreement. Seller and Buyer each agree to indemnify, defend and hold the other harmless from and against any claim or liability, as well as court costs and legal fees, arising out of claims contrary to the foregoing representations and warranties by a party claiming to have dealt with the indemnifying party. Notwithstanding anything to the contrary contained herein, the mutual indemnities contained in this Section 14 shall survive Closing or any

termination of this Agreement and shall not be subject to the limitations on remedies of Seller or Buyer set forth herein.

15. **DEFAULT.**

(a) Buyer Default. **IN THE EVENT THE CLOSING DOES NOT OCCUR DUE TO A MATERIAL DEFAULT BY BUYER OF ITS OBLIGATIONS UNDER THIS AGREEMENT, THE AMOUNT OF THE DEPOSITS RELEASED TO SELLER PURSUANT TO THIS AGREEMENT AT THE TIME OF THE MATERIAL DEFAULT SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES. THE PARTIES HERETO EXPRESSLY AGREE AND ACKNOWLEDGE THAT SELLER'S ACTUAL DAMAGES IN THE EVENT OF A MATERIAL DEFAULT BY BUYER WOULD BE EXTREMELY DIFFICULT OR IMPRACTICABLE TO ASCERTAIN AND THAT THE AMOUNT DESCRIBED IN THIS SECTION 15 REPRESENTS THE PARTIES' REASONABLE ESTIMATE OF SUCH DAMAGES. SELLER SHALL HAVE NO RIGHT TO ADDITIONAL DAMAGES OR ANY OTHER REMEDIES UNDER THIS AGREEMENT, AND SELLER WAIVES ALL RIGHT TO AN ACTION FOR SPECIFIC PERFORMANCE OF THIS AGREEMENT.**

SELLER'S INITIALS: 

BUYER'S INITIALS: SD

(b) Seller Default. In the event the purchase and sale of the Property does not occur due to a default by Seller of its obligations under this Agreement (including without limitation a breach of any representation or warranty made by Seller), then Buyer shall be entitled to the return of the amount of the Deposits not released to Seller pursuant to this Agreement and shall further have, as its sole and exclusive remedies in such event, the right to bring an action for specific performance, and to pursue an action for damages against Seller relative to such default.

16. **"AS-IS" SALE.** Except as otherwise specifically provided in this Agreement, Seller makes no representation or warranty regarding any aspect of the condition of the Property, its past use, or its suitability for Buyer's intended use. Without limiting the generality of the foregoing provision, but subject to any representations, warranties and covenants expressly set forth in this Agreement which shall survive the Closing, Buyer hereby acknowledges and agrees that, except as expressly provided herein, it is purchasing the Property in its "AS IS, WHERE IS, WITH ALL FAULTS," condition as of the Closing, and neither Seller nor any employee or agent of Seller has made or will make, either expressly or implicitly (except as set forth in this Agreement), and Buyer has not relied upon (except as set forth in this Agreement), any representations, guaranties, promises, statements, assurances or warranties of any kind concerning the Property.

17. **MISCELLANEOUS.**

(a) Each individual and entity executing this Agreement hereby represents and warrants that he, she or it has the capacity set forth on the signature pages hereof with full

power and authority to bind the party on whose behalf he, she or it is executing this Agreement to the terms hereof.

(b) This Agreement is the entire Agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements between the parties with respect to the matters contained in this Agreement. Any waiver, modification or consent with respect to any provision of this Agreement must be set forth in writing and duly executed by the parties. No waiver by any party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

(c) Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement. Each party agrees to act diligently and in good faith in performing its obligations under this Agreement.

(d) All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or electronic mail, shall be deemed received upon (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if mailed, three (3) business days after the date of posting by the United States post office, (iii) if delivered by overnight delivery, one (1) business day after mailing, and (iv) if given by electronic mail, when sent. Any notice, request, demand, direction or other communication sent by electronic mail must be confirmed by letter mailed or delivered within two (2) business days of such electronic mail notice in accordance with Section 17(d)(i), (ii) or (iii).

Seller: California Vocations, Inc.
564 Rio Linda Avenue, Suite 204
Chico, CA 95926
Attn: Arlene Groos
Email: arlene.groos@calvoc.org

Buyer: Mercy Housing California
2512 River Plaza Drive, Ste 200
Sacramento, CA 95833
Attn: Stephan Daues
Email: sdaues@mercyhousing.org

With a copy to:

Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, CA 94104
Attn: Evan Gross
Email: egross@gubbandbarshay.com

Any party may change its address for notice by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to

have been duly given or served on the date personally served, if by personal service, or on the date shown on the return receipt or other evidence of delivery, if mailed.

(e) The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement.

(f) The making, execution and delivery of this Agreement by the parties hereto has been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

(g) Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Agreement shall be invalid or prohibited thereunder, such invalidity or prohibition shall be construed as if such invalid or prohibited provision had not been inserted herein and shall not affect the remainder of such provision or the remaining provisions of this Agreement.

(h) Section and paragraph headings of this Agreement are solely for convenience of reference and shall not govern the interpretation of any of the provisions of this Agreement.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of California.

(j) In the event of any dispute between the parties regarding this Agreement, prior to exercising any remedies hereunder the parties shall first attempt in good faith to resolve the dispute through non-binding mediation before a neutral mediator at JAMS, or any other mutually agreeable neutral mediator. The parties shall meet with the mediator as requested by the mediator within a thirty (30) day period in an attempt to resolve the dispute. Each party shall pay for one-half of the cost of the mediator and for its own costs. If the dispute cannot be resolved through mediation, then the parties may proceed to exercise the remedies available to them under this Agreement.

(k) If any action is brought by either party against the other party, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" shall mean the fees and expenses of counsel to the parties hereto, which may include printing, copying and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons not admitted to the bar but performing services under the supervision of an attorney.

(l) Subject to Section 17(m), this Agreement shall be binding upon and inure to the benefit of each of the parties hereto and to their respective transferees, successors, and assigns.

(m) Neither this Agreement nor any of the rights or obligations of Seller

hereunder shall be transferred or assigned by Seller without the prior written consent of Buyer, which may be given or withheld in Buyer's reasonable discretion. Buyer may assign this Agreement and Buyer's rights and obligations hereunder without the Seller's written consent to (i) a nonprofit public benefit corporation affiliated with Buyer, or (ii) a limited partnership in which Buyer or an affiliated nonprofit public benefit corporation or limited liability company is the general partner or the managing general partner. Buyer shall deliver a copy of the fully executed written assignment and assumption agreement to the Title Company prior to the Closing. No other assignment may be made without the prior written consent of the Seller, which may be given or withheld in Seller's sole and absolute discretion.

(n) Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Buyer with respect to the Property to be conveyed as contemplated hereby.

(o) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument. Executed counterparts of this Agreement may be delivered by email and such delivery will have the same effect as delivery of an original executed counterpart of this Agreement.

(p) If requested to do so by Seller, Buyer shall cooperate in a simultaneous or tax deferred exchange by permitting Seller to assign this Agreement to a third party (also "Exchange Facilitator") and by accepting a conveyance of the Property from the Exchange Facilitator. The assignment may take effect only simultaneously with the Closing, and in no event shall Seller be relieved of any liability under this Agreement by reason of the assignment and in no event shall the Exchange Facilitator have any right to enforce this Agreement that Seller would not have if there had been no assignment. Buyer shall not be required to bear any escrow, title, or other expenses in excess of those Buyer would bear if there were no exchange, nor shall Buyer be required to expend any sums of money in connection with the exchange. Buyer shall not be required to execute any document creating personal liability or assume or be exposed to any liability in connection with an exchange. In no event shall Buyer be required to take title to any property other than the Property, and in no event shall Buyer be responsible for any tax consequences to Seller or any other party in connection with an exchange. Seller agrees and covenants to defend, indemnify, protect, and save harmless Buyer from any liability, damages, loss, cost and expense (including reasonable attorneys' fees) of whatsoever kind and nature arising out of any exchange.

(q) Except as required in order to obtain the Financing or the Entitlements, the parties hereto shall maintain strict confidentiality regarding all aspects of the transactions contemplated by this Agreement, including, but not limited to, price, terms, condition, proposed use and the contents of all related agreements and documents provided by Seller to Buyer for Buyer's inspection; provided, however, the parties may disclose information about the transaction to their respective attorneys, professional advisers and consultants in connection with the transaction.

(r) The parties hereby acknowledge that Seller is a nonprofit organization

dedicated to providing residential and vocational support to developmentally disabled adults and that prior to the 2018 Camp Fire, Seller housed clients at the Property. The parties agree that, to the extent permitted by Buyer's lenders and tax credit investor, and subject to all laws and regulations applicable to the Project, including, without limitation, all federal and state fair housing laws and all rules and regulations applicable to the federal low-income housing tax credit program (collectively, the "Applicable Laws"), up to six units at the Project may be subject to a rental preference in favor of clients of Seller. The parties acknowledge that any such preference may not be permitted by Buyer's lenders and tax credit investor and/or may conflict with the Applicable Laws. To the extent permitted, such preference will entitle such clients to be placed at the top of any applicant pool or waiting list for such units during the first 15 years of Project operations and all further details of the preference program will be agreed upon prior to the commencement of construction of the Project.

[remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

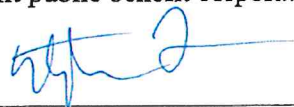
SELLER:

CALIFORNIA VOCATIONS, INC., a California
nonprofit public benefit corporation

By: 
Name: Arlene Gross
Title: Executive Director
Date: 4/26/22

BUYER:

MERCY HOUSING CALIFORNIA, a California
nonprofit public benefit corporation

By: 
Name: Stephan Daues
Title: Vice President
Date: 4/26/22