

Board of Directors

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Josh Palmer, Deputy Director (CADA)/Vice President (CACDC)
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Marc de la Vergne, Director of Sustainability, Placemaking, & Special Projects (CADA)
Jill Azevedo, Director of Operations (CADA)

Legal Counsel

Jeff Mitchell
Kronick, Moskovitz, Tiedemann & Girard

Phone: (916) 322-2114

Web: www.cada.org

AGENDA SPECIAL MEETING

THE CAPITOL AREA DEVELOPMENT AUTHORITY AND THE CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION BOARD OF DIRECTORS

FRIDAY, JUNE 12, 2025

3:00 P.M.

**CADA ADMINISTRATIVE OFFICE
1522 14TH STREET, SACRAMENTO, CA 95814**

**Members of the Public are invited to
participate via ZOOM or in person.**

To join via Zoom:

Go to: <https://zoom.us/join>

Or join by phone: (669) 900-9128 (Pacific Coast)

Find your local number: <https://us02web.zoom.us/j/kcoHLf55h>

Meeting ID: 826 9379 5589

Request Password (prior to start of meeting):

tgandara@cada.org



CADA



- 1. Roll Call and Just Cause/Emergency Teleconference Information (if applicable)**
- 2. [CACDC] Addition of Pacific Housing, Inc. as Member of 2000 16th St CACDC Association, LLC**

Recommended Action: Adopt a resolution authorizing the President to execute an Amended and Restated Operating Agreement for 2000 16th CACDC Association, LLC that admits Pacific Housing, Inc. as a member with 21% interest.

Contact: Jack Barnes, Development Manager [CADA]
Josh Palmer, Deputy Director [CADA]/Vice President [CACDC]
Danielle Foster, Executive Director [CADA]/President [CACDC]

3. CLOSED SESSION

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Pursuant to Government Code Section 54957)**
Title: Executive Director
- B. CONFERENCE WITH LABOR NEGOTIATOR (Pursuant to Government Code Section 54957.6)**
Unrepresented Employee: Executive Director
Agency Designated Representative: Ann Bailey

4. Opportunity for the Public to Address the Board Regarding Matters Not on the Agenda

5. Adjournment

Approved for Transmittal:

A blue ink signature of Danielle Foster, written over a horizontal line.

Danielle Foster, Executive Director [CADA]/President [CACDC]

NOTE: THE BOARD MAY TAKE ACTION ON ANY MATTER LISTED ON THE AGENDA. ADDITIONALLY, THE BOARD MAY TAKE ACTION ON ANY MATTER NOT LISTED ON THE AGENDA TO THE EXTENT PERMITTED BY APPLICABLE LAW.

PURSUANT TO STATE AND FEDERAL LAW, IF YOU HAVE A REQUEST FOR A DISABILITY-RELATED MODIFICATION OR ACCOMMODATION IN ORDER TO ASSIST YOU IN PARTICIPATING IN THE MEETING, PLEASE CONTACT TARA GANDARA, BOARD SECRETARY AT (916) 322-2114 TO MAKE SUCH A REQUEST. IN ORDER TO ALLOW ADEQUATE TIME TO ACCOMMODATE ANY REQUESTS, CADA ASKS THAT THE REQUEST BE MADE AT LEAST 24 HOURS PRIOR TO THE MEETING.



June 9, 2025

TO:	Capitol Area Community Development Corporation (CACDC) Board of Directors
SUBJECT:	June 12, 2025 Special Board Meeting AGENDA ITEM 2 ADDITION OF PACIFIC HOUSING, INC. AS MEMBER OF 2000 16TH ST CACDC ASSOCIATION, LLC
CONTACT:	Jack Barnes, Development Manager (CADA) Danielle Foster, Executive Director (CADA), President (CACDC) Josh Palmer, Deputy Director (CADA), Vice President (CACDC)

RECOMMENDED ACTION

Staff recommends the CACDC Board of Directors approve a resolution authorizing the President to execute an Amended and Restated Operating Agreement for 2000 16th CACDC Association, LLC that admits Pacific Housing, Inc. as a member with 21% interest.

BACKGROUND

In August 2019 the CADA and CACDC Boards of Directors approved a Memorandum of Understanding between CADA, CACDC, and Mutual Housing California ("Mutual") that memorialized the parties' good faith negotiations to partner on an affordable housing project at CADA's property at 2000 16th Street, Sacramento, CA ("the Project"). Later, that project would come to be known as Sakura.

On March 15, 2024, CADA Executive Director, Danielle Foster signed two loan commitment letters – a \$4,000,000 gap loan for the Project's construction and permanent financing and one committing to the sale of 2000 16th Street to CACDC and Mutual Housing California ("the development team") in the form of a residual receipts land loan in the amount of \$3,280,000.

Five months later CACDC and Mutual formally entered into a Limited Partnership Agreement ("initial LPA") establishing an LLC managed by CACDC ("2000 16th St CACDC Association, LLC") as the limited partnership's managing general partner and an LLC managed by Mutual ("2000 16th St Association, LLC") as the administrative general partner. This initial LPA created a limited partnership called 2000 16th St Associates, LP. In addition to managing the limited partnership's managing general partner, CACDC is the limited partner entity.

On April 11, 2025, 2000 16th St Associates, LP signed a letter of interest with the National Equity Fund, Inc. ("NEF") describing NEF's desire to purchase 99.99% of the LP and utilize its corresponding tax credits. In a separate letter with First Citizens Bank ("First Citizens"), the LP signed a summary from the bank of the terms under which it would provide a tax-exempt construction loan for the Project.

The California Housing Partnership Corporation ("CHPC"), the financial proforma consultant to the project, provided the partnership with a set of closing projections that lays out sources and uses for both construction and permanent financing closing. The partnership subsequently provided this proforma to NEF, who used it to inform their investment and anticipated tax credit yield. The proforma

identified CADA's loans as unaffiliated debt to the Project, which was incorrect since CADA and CACDC have the same Board and with CACDC's current role as 100% General Partner in the partnership, the loans are considered affiliated.

Recently, this error was discovered and NEF raised an issue to the development team resulting from this error. NEF pointed out that if the CADA loans are re-characterized as affiliated/related-party debt, the project would be projected to have a negative capital account balance in the later years of the credit delivery period (Years 8/9) because of the way this debt is booked for accounting purposes. This negative account would be out of compliance with partnership tax regulations that says a partner cannot continue to claim low-income housing tax credits with a negative capital account. Thus, the value of NEF's investment is reduced if the CADA loans are recharacterized as affiliated/related-party debt.

To reconcile this issue that could put the project's financing at-risk, CADA's affiliation with the 2000 16th St CACDC Association, LLC as a related party can be diluted under tax law by adding another entity to the 2000 16th St CACDC Association, LLC to hold a minimum of a 21% interest in the LLC. Adding this additional party addresses the proforma issue and allows the project to proceed under its current financing commitments.

ANALYSIS

In order to meet tax code requirements and maintain the project's existing financing structure, CACDC needs to add a 21% partner to the LLC, which will make CADA's loans disaffiliated with the Project. This new partner needs to be a non-profit organization in order to maintain the Project's welfare tax exemption status. This is a very similar role to that which Pacific Housing, Inc. fulfills across its portfolio on both affordable and middle-income housing projects. CACDC approached Pacific Housing, Inc. about joining this LLC and they are amenable. Adding Pacific Housing, Inc. as a 21% member of the general partnership, 2000 16th St Association, LLC, keeps the project in compliance.

CADA's and CACDC's tax-credit counsel, Steve Strain, has reviewed this matter and agrees with the LP's counsel – Gubb & Barshay – that this approach is prudent and addresses the Project needs. CACDC will indemnify Pacific Housing in this role and will limit their fees to 21% of any project management fees and 21% of any annual proceeds after developer fee and debt payments, which is very unlikely. This additional partner will not impact the developer fee split on the project.

The Draft Amended and Restated Operating Agreement for 2000 16th St CACDC Association, LLC (attached) appoints CACDC as its Manager. CACDC will be "solely responsible for the management of the Company, and shall have the fullest right, power, and authority to manage, direct, and control all of the business and affairs" of the LLC. Pacific Housing Inc. is recommended as a passive equity participant. CACDC's roles and responsibilities with regards to the limited partnership, of which the LLC is the managing general partner, would also remain unchanged.

POLICY

This item comes before the Board to obtain the necessary authorization to make the recommended change to the Managing Partner of the Project partnership. This recommended change ensures Project compliance with tax law requirements, while maintaining the financing mechanisms and amounts to ensure the timely completion of Sakura.

FINANCIAL IMPACT

This action will have no effect on the developer fee proceeds. Proceeding with this change will allow for CACDC's disaffiliation with CADA's loans to the Project, ensuring that the financing can be carried out as planned, with the projected tax credits and associated project investment.

Pacific Housing Inc.'s 21% membership in the LLC will have the following financial impacts:

- 1) They will receive 21% of any project management fees that are paid to the General Partner.
- 2) In the extremely unlikely circumstance that the Project has annual proceeds after making necessary debt and developer fee payments, Pacific Housing would receive 21% of the proceeds to the General Partner, which is 10.5% of the proceeds split between CACDC, Mutual and Pacific Housing.

ENVIRONMENTAL IMPACT

This action is exempt under the California Environmental Quality Act (CEQA) as an administrative task related to the financing of the project. CEQA review of this project was already completed by the City of Sacramento.

CADA STRATEGIC PLAN

Action #8 of CADA's Strategic Goal to "Ensure Fiscal Strength and Operational Excellence" is to "seek financial partnerships with creative funding sources that further CADA's mission." The admission of a non-profit General Partner to CACDC's project-specific LLC represents a creative financial partnership that keeps Sakura on track to close on construction and complies with tax credit law.

Attachments:

1. Resolution 25-07
2. Draft Amended and Restated Operating Agreement for 2000 16th St CACDC Association, LLC

RESOLUTION NO. 25 – 07

Adopted by the Capitol Area Community Development Corporation

June 12, 2025

RESOLUTION AUTHORIZING THE CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION TO ADMIT PACIFIC HOUSING INC. AS A 21% MEMBER OF THE 2000 16TH ST CACDC ASSOCIATION, LLC

WHEREAS, the Capitol Area Community Development Corporation ("CACDC") is wholly-owned by the Capitol Area Development Authority ("CADA");

WHEREAS, CACDC is the sole member manager of 2000 16th St CACDC Association, LLC;

WHEREAS, 2000 16th St CACDC Association, LLC is the managing general partner of 2000 16th St Associates, LP;

WHEREAS, CADA has committed to making two loans totaling \$7.28 million in value to 2000 16th St Associates, LP;

WHEREAS, 2000 16th St Associates, LP will be closing on construction financing later this month, June 2025;

WHEREAS, in order to keep the Project in compliance with tax credit law, CADA need to be a disaffiliated entity from 2000 16th St CACDC Association, LLC to provide its loans, which requires a third-party non-profit entity to be added to the 2000 16th St CACDC Association, LLC; and

WHEREAS, Pacific Housing, Inc., has agreed to be a member of the General Partnership and enter 2000 16th St CACDC Association, LLC with a 21% ownership interest.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Community Development Corporation that the Board of Directors hereby authorizes the President to execute an Amended and Restated Operating Agreement that admits Pacific Housing Inc. as a 21% member of 2000 16th St, CACDC Association, LLC.

Danielle Foster, President

ATTEST:

Tara Gandara
Secretary to the Board of Directors

**AMENDED AND RESTATED
OPERATING AGREEMENT
OF
2000 16th St CACDC Association, LLC**

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this “Agreement”) of 2000 16th St CACDC Association, LLC, a California limited liability company (the “Company”), is made and entered into effective as of June __, 2025, by Capitol Area Community Development Corporation, a California nonprofit public benefit corporation (“CACDC”) and Pacific Housing, Inc., a California nonprofit public benefit corporation (“Pacific Housing” and collectively, with “CACDC”, the “Members”).

A. CACDC formed the Company on May 15, 2024 with the filing of the Articles (as defined below) with the Secretary of State of California, with CACDC as its sole member on the terms and conditions set forth in the Operating Agreement of 2000 16th St CACDC Association, LLC dated as of May 18, 2024 (the “Original Agreement”).

B. CACDC desires to admit Pacific Housing as a Member of the Company and Pacific Housing desires to become a Member of the Company.

C. CACDC and Pacific Housing desire to designate CACDC as the manager.

D. The Members now desire to amend and restate the Original Agreement in its entirety in the form of this Amended and Restated Operating Agreement to fully set forth their agreements and understandings regarding the Company.

In consideration of the foregoing Recitals and the mutual covenants and agreements contained herein, the Members agree as follows:

**ARTICLE 1
DEFINITIONS OF TERMS**

When used in this Agreement, the following terms shall have the meanings set forth below:

1.1 “Act” means the California Revised Uniform Limited Liability Company Act, Corporations Code 17701.01 – 17713.13, as amended from time to time.

1.2 “Adjusted Capital Account” means, with respect to any Member, the balance, if any in such Member’s Capital Account as of the end of the relevant fiscal year, after giving effect to the following adjustments: (i) add to such balance any amounts which such Member is obligated to restore pursuant to Treasury Regulations Section 1.704-1(b)(2)(ii)(c) or the penultimate sentence of each of Treasury Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5); and (ii) subtract from such balance the items described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) and (6). The foregoing definition of Adjusted Capital Account is intended to comply with the

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provisions of Treasury Regulations Section 1.704-1(b) (2) (ii) (d) and shall be interpreted consistently therewith.

1.3 “Affiliate” means any individual, partnership, corporation, trust, or other entity or association, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with a Member. The term “control,” as used in the immediately preceding sentence, means, with respect to a corporation the right to exercise, directly or indirectly, 50% or more of the voting rights attributable to the controlled corporation, and, with respect to any individual, partnership, trust, other entity or association, the possession, directly or indirectly, of the power to direct or cause the direction of the management of policies of the controlled entity.

1.4 “Agreement” means this Agreement regulating the affairs of the Company and the conduct of this business, as originally executed and as amended from time to time, and shall refer to this Agreement as a whole, unless the context otherwise requires.

1.5 “Articles” means the Articles of Organization for the Company which were filed with the Secretary of State of California, together with all amendments thereto or restatements thereof and means the Articles as a whole unless the context otherwise requires.

1.6 “Available Cash” mean, with respect to a fiscal period, all cash and cash equivalents of the Company at the end of such period less the amount of cash reserves that is necessary or appropriate in the reasonable discretion of the Manager to (i) provide for the proper conduct of the business of the Company subsequent to such period or (ii) comply with applicable law or any loan agreement, security agreement, mortgage, debt instrument or other agreement or obligation to which the Company is a party or by which it is bound or its assets or property is subject.

1.7 “Bankruptcy Law” means the federal bankruptcy laws (including, without limitation, the Bankruptcy Code), as now or hereinafter constituted, and/or any other applicable federal or state bankruptcy, insolvency or similar law.

1.8 “Capital Account” means, with respect to any Member, the capital account maintained for such Member in accordance with Section 3.1 hereof.

1.9 “Capital Contribution” means, with respect to any Member, the amount of money and the net fair market value of any property (other than money) contributed by such Member to the Company with respect to the Membership Interest acquired or held by such Member.

1.10 “Company” means 2000 16th St CACDC Association, LLC.

1.11 “Economic Interest” means the right to share in the profits, losses, deductions, credits, or similar items and to receive distributions from the Company.

1.12 “Members” means collectively, CACDC, Pacific Housing and each Person who is hereafter admitted to the Company as a Member in accordance with the Articles and this Agreement (other than any Person who has withdrawn, been removed, died, or retired) (individually, each a “Member”).

1.13 “Membership Interest” means the entire ownership interest of a Member in the Company at any particular time, including, Economic Interest as provided in this Agreement and under the Act, together with the obligation of such Member to comply with all terms and provisions of the Agreement. A Membership Interest constitutes personal property. A Member or assignee of any Economic Interest of a Member has no interest in specific property of the Company.

1.14 “Net Profits” and “Net Losses” means the taxable income and loss of the Company as determined in accordance with the accounting methods followed by the Company for federal income tax purposes, but (i) including any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits and Net Losses, and (ii) if property contributed to the Company is valued by the Members at other than its adjusted tax basis, or if Company property is revalued pursuant to Treasury Regulations Section 1.704-1(b)(2)(iv)(f) or (g), Net Profits and Net Losses shall be adjusted for items of depreciation, depletion, amortization and gain or loss, as computed for book purposes, in accordance with Treasury Regulations Section 1.704-1(b)(2)(iv)(g).

1.15 “Percentage Interest” means the percentage of a Member set forth opposite the name of such Member under the column “Member’s Percentage Interest” in Exhibit A hereto, as such percentage may be adjusted from time to time pursuant to the terms of this agreement.

1.16 “Person” means an individual, general partnership, limited partnership, other limited liability company, corporation, trust, estate, real estate, real estate investment trust, and any other legal entity.

1.17 “Partnership” means 2000 16th Street Associates, LP, a California limited partnership in which the Company will act as the sole general partner.

1.18 “Partnership Agreement” means an Amended and Restated Agreement of Limited Partnership which the Company will enter into with a tax credit investor.

1.19 “Property” means that certain real property located at 2000 16th Street, Sacramento, California, commonly referred to as Sakura Apartments.

ARTICLE 2 INTRODUCTORY MATTERS

2.1 Formation. The Company was formed pursuant to the Act for the purposes and upon the terms and conditions hereinafter set forth. The rights and liabilities of the Members shall be as provided in the Act, except as otherwise expressly provided herein. In the event of any inconsistencies between any terms and conditions contained in this Agreement and any non-mandatory provisions of the Act, the terms and conditions contained in this Agreement shall govern.

2.2 Business Purpose. The Company is organized and shall be operated exclusively for charitable purposes as specified in Section 214(g) of the California Revenue and Taxation Code, including, without limitation, (i) the development and provision of affordable housing for low-income individuals, (ii) to serve as a general partner in the Partnership; and (3) to support the purposes of CACDC and Pacific Housing. Notwithstanding any other provision of this

Agreement, the Company is organized and operated exclusively to further exempt purposes as specified in Section 214 of the California Revenue and Taxation Code. Any amendments to this Agreement and the articles of organization shall be consistent with the exempt purposes as specified in Section 214 of the California Revenue and Taxation Code.

2.3 Regulation of Internal Affairs by Agreement. The internal affairs of the Company and the conduct by its business shall be regulated by this Agreement and the Act.

2.4 Laws Governing Agreement. This Agreement is subject to, and governed by, the mandatory provisions of the Act and the Articles. In the event of a direct conflict between the provisions of this Agreement and the mandatory provisions of the Act or the provisions of the Act or the provisions of the Articles, such provisions of the Act or the Articles, as the case may be, will be controlling.

2.5 Term of Agreement. The term of the Company commenced on the filing of the Articles with the Secretary of State of California on May 15, 2024, and shall continue until December 31, 2095.

2.6 Title to all Properties in Name of the Company. Real and personal property owned or purchased by the Company shall be held and owned, and conveyance made, in the name of the Company. Instruments and documents providing for the acquisition, mortgage, or disposition of property of the Company shall be valid and binding upon the Company provided they are executed by the Manager and comply with Section 4.4.

2.7 Agent for Service of Process in California and Principal Executive Office. The agent for service of process for the Company shall be Danielle Foster. The principal executive office of the Company shall be at 1522 14th Street, Sacramento, California 95814, unless changed by the Manager.

2.8 Dedication of Property. All real and personal property owned by the Company shall be owned by and in the name of the Company and is irrevocably dedicated to one or more charitable purposes as set forth in Sections 214 or 214.01 of the California Revenue and Taxation Code. No Member shall have any ownership interest in such property in its individual name or right. Each Member's Membership Interest in the Company shall be personal property.

ARTICLE 3

MEMBER CAPITAL CONTRIBUTION, ADMISSION OF ADDITIONAL MEMBERS, AND LIMITATIONS ON LIABILITIES OF MEMBER

3.1 Name, Address, and Capital Contributions of Member. The Members, their addresses, and Capital Contribution to the Company are set forth on Exhibit A, as it may be amended from time to time. The Capital Contribution of each Member shall be deemed equal to the capital account of such Member as revalued pursuant to this Agreement. A capital account shall be established and maintained for each Member, and adjusted as permitted by applicable Treasury Regulations. No Member shall be required to make any additional contributions to the Company other than the Capital Contributions set forth opposite to its name on Exhibit A.

3.2 Admission of Additional Members. Additional Members may be admitted to the Company upon the written consent of all of the existing Members, which consent may be withheld in any Member's sole and absolute discretion.

3.3 Limitation on Liability of Members. No Member shall be required to loan any funds to the Company. No Member shall be required to make any Capital Contribution to the Company by reason of any negative balance in its Adjusted Capital Account, nor shall any negative balance in a Member's Adjusted Capital Account create any liability on the part of a Member to any third party.

ARTICLE 4

MANAGEMENT AND CONTROL OF BUSINESS

4.1 Management. CACDC is hereby appointed as the Manager of the Company. As Manager, CACDC shall be solely responsible for the management of the Company, and shall have the fullest right, power, and authority to manage, direct, and control all of the business and affairs of the Company and to transact business on its behalf, to take all action and make all decisions called for under this Agreement, and to sign for the Company or on its behalf or otherwise to bind the Company. All of the rights and duties on the Manager granted by the Act shall be held and exercisable by the Manager in that capacity. CACDC shall not be removable as Manager except upon the unanimous consent of all Members. Only the signature of the Manager shall be required to bind the Company.

4.2 Manager to Hire Employee for Record Keeping. The Manager may employ any competent person(s) to be an employee of the Company who shall be responsible for authenticating the records of the Company, including keeping correct and complete books of account which show accurately at all times the financial condition of the Company, safeguarding all funds, notes, securities, and other valuables which may from time to time come into possession of the Company, depositing all funds of the Company with such depositories as the Manager shall designate. Such employee(s) shall have such other duties as the Manager may from time to time prescribe.

4.3 Acts of Manager as Conclusive Evidence of Authority. Every contract, deed, mortgage, lease, and other instrument executed by the Manager shall be conclusive evidence in favor of every person relying thereon or claiming there under that at the time of delivery thereof (i) the Company was in existence, and (ii) neither this Agreement nor the Articles had been amended in any manner so as to restrict the Manager's authority to execute any of the foregoing or the Manager's right to delegate the Manager's authority.

4.4 Limitations on Power of Manager.

(i) Notwithstanding any other provisions of this Agreement, the Manager shall not have authority to cause the Company to engage in the following decisions (each, a "Major Decision") without first obtaining the approval, or deemed approval (in the manner provided below), of the Members.

(a) Modification of the Membership Interest in the Company, acquisition of any real or personal property (tangible or intangible) except to the extent included

in the annual budget, or use of any Property for other than a purpose of the Company as set forth in this Agreement;

(b) Hire any employees of the Company except as agreed upon in Section 4.2;

(c) Sell, lease, pledge or otherwise transfer, convey or dispose of any assets or interest of the Company;

(d) Terminate or engage the services of, or set or modify the compensation for, the Manager or any other person or entity responsible for implementing the Company's policies and procedures;

(e) Merge, dissolve or wind up the Company, or file any voluntary petition for the Company under the Bankruptcy Law, or make an assignment for the benefit of creditors, or seek a receiver or the protection of any Bankruptcy Law, or declare the Company's inability to pay its debts when they become due (or words of similar import);

(f) Make a material change in the nature of the Company's business or take any act that would make it impossible to carry on the Company's ordinary business;

(g) Admit additional Member(s) to the Company;

(h) Settle a legal action for the Company for any amount in excess of \$100,000;

(i) Extend the Company's credit, make loans or become a surety, guarantor, endorser, or accommodation endorser except in connection with negotiating checks or other instruments received by the Company;

(j) Settle an insurance claim or condemnation action involving a claim or judgment for the Company in excess of \$50,000 or which, when added to all other insurance or condemnation claims, exceeds \$100,000;

(ii) Without limiting the generality of Section 4.4(i) above, if the Manager, on behalf of the Company, proposes to undertake a Major Decision, the Manager shall first send written notice thereof to the Members (the "Initial Notice"), describing, in reasonable detail, the proposed Major Decision and the reasons why the Manager believes the Major Decision to be in the best interests of the Company. Each Member shall approve or disapprove, in the exercise of its reasonable discretion, such Major Decision within thirty (30) days of the date of the Initial Notice. If one or more Member(s) fails to approve or disapprove such Major Decision within such thirty (30) day period, the Manager may send a second written notice to the Members who have failed to respond (the "Second Notice"), requesting an immediate response. Any Member failing to approve or disapprove a Major Decision within fifteen (15) days of the date of the Second Notice shall be deemed to have unconditionally and irrevocably approved the Major Decision under consideration.

4.5 Manager's Resignation and Removal.

(i) The Manager may resign at any time by giving written notice to the Members without prejudice to the rights, if any, of the Company under any contract to which the Manager is a party. The resignation of the Manager shall take effect upon on the date which is thirty (30) days after the delivery of such notice or at such later time as shall be specified in such notice and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective. The resignation of a Manager who is also a Member, if applicable, shall not affect the Member's rights as a Member and shall not constitute a withdrawal of a Member.

(ii) Subject to Section 4.1 (i.e., unanimous consent of all Members required to remove CACDC as Manager), the Manager may be removed as the manager of the Company by Pacific Housing, as provided herein under the following circumstances (each, a "Removal Event"):

(a) the Manager (1) commits a criminal act; (2) willfully misapplies any funds derived from the Property, including security deposits, insurance proceeds and condemnation awards; (3) commits fraud, material and intentional misrepresentation, or willful misconduct; (4) intentionally damages or destroys the Property, or any part thereof; or (5) performs any action that constitutes grounds for removal of the Company as the general partner pursuant to the Partnership Agreement and all applicable notice and cure periods have expired;

(b) the liquidation or dissolution of the Manager;

(c) Bankruptcy (as defined below) of the Manager or the Company; or

(d) the occurrence of a material default by the Company pursuant to the Partnership Agreement;

Upon the occurrence of a Removal Event, Pacific Housing may, no later than ninety (90) days after Pacific Housing receives written notice of the occurrence of the Removal Event, remove the Manager as manager of the Company (subject to Section 4.1). For purposes of this Agreement, "Bankruptcy" means, with respect to any Person, (A) if such Person (i) makes an assignment for the benefit of creditors, (ii) files a voluntary petition in bankruptcy, (iii) is adjudged a bankrupt or insolvent, or has entered against it an order for relief, in any bankruptcy or insolvency proceedings, (iv) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of this nature, or (vi) seeks, consents to or acquiesce in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of its properties, or (B) if 120 days after the commencement of any proceeding against the Person seeking reorganization, arrangement, composition, readjustment, liquidation or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of its properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated. The foregoing definition of "Bankruptcy" is intended to replace and shall supersede and replace the definition of

“Bankruptcy” set forth in Sections 18-101(1) and 18-304 of the Act. Any removal shall not affect the Manager’s rights as a Member or constitute a withdrawal of a Member. Any vacancy occurring for any reason in the Manager position may be filled by the affirmative vote or written consent of all of the Members.

4.6 Performance of Duties: Liability of Manager. The Manager shall perform its managerial duties in good faith, in a manner it reasonably believes to be in the best interests of the Company and its Members. In performing its duties, the Manager shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, of the following persons or groups unless it has knowledge concerning the matter in question that would cause such reliance to be unwarranted and provided that the Manager act in good faith and after reasonable inquiry when the need therefor is indicated by the circumstances:

(i) one or more officers, employees or other agents of the Company or the Manager whom the Manager reasonably believes to be reliable and competent in the matters presented;

(ii) any attorney, accountant, or other person as to matters which the Manager reasonably believes to be within such person’s professional or expert competence; or

(iii) a committee duly designated in accordance with a provision of the Articles or this Agreement, as to matters within its designated authority.

A Manager who so performs the duties of Manager shall not have any liability by reason of being or having been a Manager of the Company. A Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, gross negligence, reckless or intentional misconduct, or a knowing violation of law by the Manager. Under no circumstances will any director, officer, owner, member, manager, partner, employee, agent or Affiliate of any Manager have any personal responsibility for any liability or obligation of the Manager (whether on a theory of alter ego, piercing the corporate veil, or otherwise), and any recourse permitted under this Agreement or otherwise of the Members, any former Member, and the Company against a Manager will be limited to the assets of the Manager as they may exist from time to time.

4.7 Payments to Manager. Except as otherwise set forth herein, the Manager shall receive no remuneration for acting in the Company business. The Manager shall be entitled to reimbursement for all expenses reasonably incurred by the Manager in performance of the Manager duties in accordance with the current annual budget.

4.8 Member Approval. At the election of any Member, the Company may have one (1) annual meeting of the Members at a location within the continental United States as determined by the Manager (the “Annual Meeting”). The Annual Meeting, and any other meeting of the Members called by the Manager, shall be noticed, held and conducted pursuant to the Act. In any instance in which the approval of the Members is required under this Agreement, such approval may be obtained in any manner permitted by the Act. Unless otherwise provided in this Agreement, approval of the Members shall mean the unanimous approval of Members.

4.9 Devotion of Time. Neither any Member nor the Manager is obligated to devote all of its time or business efforts to the affairs of the Company. Each Member and/or Manager shall devote whatever time or effort such Member and/or Manager deems reasonably appropriate, in such Member's or Manager's own discretion, for the furtherance and operation of the Company's business.

4.10 Transactions between the Company and the Member(s). The Member(s), Manager and their respective Affiliates may engage in transactions with the Company.

ARTICLE 5 PROFITS, LOSSES AND DISTRIBUTIONS

5.1 Allocation of Profits, Losses and Distributions. Except as otherwise provided in Paragraph 5.2 below, all profits, losses and distributions shall be allocated and distributed to the Members in accordance with their Percentage Interests. Notwithstanding anything to the contrary, no distribution shall be made to any Member that ceases to be a Qualified Entity (as defined below).

5.2 Partnership Management Fee. To the extent that the Company receives all or any portion of a partnership management fee from the Partnership in consideration of the Company's agreement to perform management tasks for the Partnership, the fee shall be split 79% to the CACDC and 21% to Pacific Housing.

ARTICLE 6 ACCOUNTING AND RECORDS

The books and records shall be maintained by the Manager of the Company and shall be kept, and the financial position and the results of its operations recorded, in accordance with the accounting methods followed for federal income tax purposes. The books and records of the Company shall reflect all the Company's transactions and shall be appropriate and adequate for the Company's business. The fiscal year of the Company for financial reporting and for federal income tax purposes shall be the calendar year.

ARTICLE 7 REMOVAL, TRANSFER, AND ASSIGNMENT OF INTERESTS AND RIGHTS

7.1 Transfer and Assignment of Interests. A Member may assign or transfer all or any portion of its Membership Interest, including an Economic Interest therein, pursuant to a duly executed, written instrument of assignment or transfer, whose terms are not in contravention of any of the provisions of this Agreement, subject to receipt of the written consent of the other existing Members, which may be withheld in the other existing Members' sole discretion. Notwithstanding the previous sentence, the CACDC reserves the right at its sole option to (a) replace Pacific Housing with another qualifying Member if directed to by any lender, investor, or regulatory agency related to the affordable housing project being developed on the Property ("Project"), or (b) require Pacific Housing to exit from the Company after the 15-year tax credit compliance period has been completed in connection with the Project. In either event, Pacific Housing agrees to assign its Membership Interest to the qualifying Member or to the CACDC, as applicable, subject to repayment to Pacific Housing of its Capital Contribution and reimbursement

of Pacific Housing's legal fees and staff costs incurred in exiting the Company up to a maximum of \$5,000. Any purported assignment or transfer of all or any portion of a Membership Interest in the Company, including an Economic Interest therein, made in violation of the provisions of this Agreement shall be void and of no force or effect.

7.2 Limitations on Economic Interests. Upon any transfer of an Economic Interest in the Company, the transferee shall have no right to participate in the management of the business and affairs of the Company or become a Member, but such transferee shall only be entitled to receive the share of profits or other compensation by way of income and the return of contributions to which the transferor of such Economic Interest in the Company would otherwise be entitled. Until the assignee of an Economic Interest in the Company becomes a Member, the assignor continues to be a Member and to have the power to exercise any rights and powers of a Member, including the right to vote on matters as provided in this Agreement or in the Act.

7.3 Substitution of Members after Transfer of Membership Interest. A transferee of a Membership Interest shall have the right to become a substitute Member only if (i) the consent of all the existing Members is obtained, (ii) the requirements of Paragraph 7.1 hereof are met, and (iii) such Person executes an instrument accepting and adopting the terms and provisions of this Agreement. An assignee who becomes a substituted Member has, to the extent assigned, the rights and powers of a Member under the Articles, this Agreement, and the Act. An assignee who becomes a substituted Member is also liable for Capital Contribution obligations and to return any unlawful distributions made to the assignor of such Membership Interest.

7.4 Effective Date of Permitted Assignments or Transfers of a Membership Interest. Any permitted transfer of all or any portion of a Membership Interest in the Company, including an Economic Interest therein, will take effect on the first day of the month following such assignment or transfer. Any transferee of a Membership Interest in the Company or any assignee of an Economic Interest shall take such Membership Interest or Economic Interest, as the case may be, subject to the restrictions on assignment or transfer imposed by this Agreement.

7.5 Consequences of Pledge or Grant of Security Interest. The pledge or granting of a security interest, lien, or other encumbrance in or against all or any portion of a Membership Interest, including an Economic Interest therein, shall not cause a Member to cease to be a Member or to grant anyone else the power to exercise any rights or powers of a Member. No such pledge or granting of a security interest, lien or other encumbrance shall be permitted hereunder unless the terms of Section 7.1 are satisfied.

ARTICLE 8 DISSOLUTION AND WINDING UP

8.1 Dissolution Event. Upon resignation, withdrawal, retirement, death, insanity, bankruptcy or dissolution of any Member or expiration of the term of the Company ("Dissolution Event"), the Company shall dissolve unless all of the remaining Members ("Remaining Members") consent within ninety (90) days of the Dissolution Event to the continuation of the business of the Company.

8.2 Conversion to Class B Membership. If a Dissolution Event occurs and the Remaining Members elect to continue the business of the Company, the Membership Interest of the Member triggering the Dissolution Event shall convert to that of a Class B Member. A Class B Member shall not have voting rights but shall continue to receive (as if the Dissolution Event had not occurred) its allocable share of Net Profits, Net Losses and/or Available Cash with respect to all projects of the Company for which development has reached Completion (with “Completion” defined as receipt of certificate of occupancy) as of the date of the triggering Dissolution Event.

8.3 Conditions of Dissolution. The Company shall be dissolved, its assets shall be disposed of, and its affairs wound up on the first to occur of the following:

- (i) A unanimous determination by the Members that the Company shall be dissolved and wound up;
- (ii) The sale of all or substantially all of the assets of the Company, unless otherwise determined by the unanimous consent of the Members;
- (iii) The entry of a decree of judicial dissolution by a court of competent jurisdiction providing for the dissolution of the Company; or
- (iv) December 31, 2095.

8.4 Order of Payment of Liabilities upon Dissolution. In settling accounts of the Company after dissolution, the Manager shall settle the liabilities of the Company with payments in the following order, as required by the Act:

- (i) To creditors other than the Members, in the order of priority as provided by law;
- (ii) To Members as creditors of the Company; and
- (iii) To the Members in accordance with their Percentage Interests.

8.5 Limitations on Payments Made on Dissolution. Except, as otherwise specifically provided in this Agreement, a Member shall only be entitled to look solely to the assets of the Company for the return of its positive Adjusted Capital Account balance.

ARTICLE 9

INDEMNIFICATION OF MEMBER MANAGER, EMPLOYEES AND OTHER AGENTS

9.1 Agent, Proceedings, and Expenses. For the purposes of this Article, “agent” means any person who acts on behalf of the Company and who is or was a Member, Manager, employee, or other agent of another limited liability company, corporation, partnership, joint venture, trust, or other enterprise; “proceeding” means any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative; and “expenses” includes, without limitation, attorney fees and costs and any fees and expenses of establishing a right to indemnification hereunder.

9.2 Actions Other than by the Company. The Company shall indemnify, defend protect and hold harmless any Person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of the Company to procure a judgment in its favor) by reason of the fact that such Person is or was an agent of the Company, against expenses (including, without limitation, reasonable attorney's fees) judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with such proceeding; provided that in the event of an indemnification of a Person other than a Member, the Members determine, via a majority vote of the Members based on their Percentage Interest, that such Person acted in good faith and in a manner such Person reasonably believed to be in the best interests of the Company and the Members and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such Person was unlawful. The determination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such Person did not act in good faith and in a manner that such Person reasonably believed to be in the best interests of the Company or that such Person had reasonable cause to believe that such conduct was unlawful.

9.3 Indemnification by CACDC. CACDC unconditionally, agrees to indemnify, defend and hold harmless Pacific Housing, and its directors, officers, affiliates, agents and employees (collectively "Indemnitees" and individually "Indemnitee") from and against any and all liability, costs and expenses (other than arising from the willful misconduct, fraud or gross negligence of an Indemnitee), including, but not limited to, reasonable attorneys' fees and costs, loss or damage, and from any third party suits, claims or demands arising in connection with (i) the Property, including the presence of any "hazardous materials" in on or under the Property, (ii) the Partnership Agreement as the same may be amended and/or amended and restated from time to time, (iii) any matter for which the Company is entitled to be indemnified, defended and held harmless under any Partnership Agreement, as the same may be amended and/or amended and restated from time to time. In addition, to the extent the Partnership Agreement does not provide that the Partnership shall indemnify the Company in connection with its actions or omissions as general partner of the Partnership, or otherwise concerning the business or affairs of the Partnership; the CACDC shall indemnify, defend and hold harmless Pacific Housing from and against any and all liability, costs and expenses in connection with the Company's actions or omissions as general partner of the Partnership, or otherwise concerning the business or affairs of the Partnership; provided, under no circumstance shall CACDC have any obligation to indemnify any Indemnitee for any liability, costs and expenses to the extent that the same resulted from negligence, fraud, or willful misconduct by Pacific Housing or any Indemnitee. Upon receiving knowledge of any suit, claim or demand asserted by a third party that any Indemnitee believes is covered by this indemnity, Pacific Housing shall give CACDC prompt written notice thereof. CACDC may engage legal counsel reasonably satisfactory to Pacific Housing to defend such matter.

9.4 Actions by the Company. The Company shall indemnify, defend, protect and hold harmless any Person who was or is a party, or is threatened to be made a party, to any threatened, pending, or completed action by or in the right of the Company to procure a judgment in its favor by reason of the fact that such Person is or was an agent of the Company, against expenses (including, without limitation, reasonable attorneys' fees) actually and reasonably incurred by such Person in connection with the prosecution, defense or settlement of such action; provided in the event of an indemnification of a Person other than a Member, that the Members unanimously

determine that such a Person acted in good faith and in a manner such Person reasonably believed to be in the best interests of the Company and the Members. No indemnification shall be made of a Person other than a Member under this Section 9.4 for any of the following:

(i) Any claim, issue, or matter as to which such Person shall have been adjudged to be liable to the Company in the performance of such Person's duty to the Company and the Members, unless and only to the extent that the court in which the action was brought shall determine upon application that, in view of all the circumstances of the case, such Person is fairly and reasonably entitled to indemnity for expenses and then only to the extent that the court shall determine;

(ii) Amounts paid in settling or otherwise disposing of a pending action without approval of the Manager of the court; or

(iii) Expenses incurred in defending a pending action which is settled or otherwise disposed of without approval of the Manager or the court.

9.5 Successful Defense by Agent. To the extent that an agent of the Company other than a Member has been successful on the merits in defense of any proceedings referred to in Sections 9.2 or 9.4, or in defense of any claim, issue, or matter therein, such agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith.

9.6 Required Approval. Except as provided in Section 9.4, any indemnification of a Person other than a Member under this Article 9 shall be made by the Company only if authorized in the specific case on a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 9.2 or 9.4 and with the consent of the Manager.

9.7 Advance of Expenses. Expenses incurred in defending any proceeding of a Person other than a Member may be advanced by the Company before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount if it shall be determined ultimately that the agent is not entitled to be indemnified as authorized in this Article 9.

9.8 Rights to Indemnity. The indemnification provided by this Article 9 shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under this Agreement or other agreement or otherwise, both as to action in an official capacity and as to action in another capacity. The rights to indemnity hereunder shall continue as to a Person who has ceased to be a Member, officer, employee, or agent and shall inure to the benefit of the heirs, executor, and administrators of the Person.

9.9 Other Contractual Rights. Nothing contained in this Article 9 shall affect any right to indemnification to which Persons may be entitled under Section 9.8 or by separate contract or otherwise.

9.10 Limitations. No indemnification or advance shall be made under this Article 9, except as provided in Sections 9.7 or 9.8, in any circumstance where it appears:

(i) That it would be inconsistent with a provision of the Articles, this Agreement, a resolution of the Members, or an agreement in effect at the time of accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnification; or

(ii) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

ARTICLE 10

WELFARE TAX EXEMPTION PROVISIONS

10.1 Notwithstanding anything to the contrary contained herein, the following organizational requirements shall at all times apply to the Company:

(i) The Company is organized and shall be operated exclusively for charitable purposes as specified in Section 214 of the California Revenue and Taxation Code, including, without limitation, the development and provision of decent housing for low-income and moderate-income individuals.

(ii) The Company shall be operated exclusively to further the exempt purpose(s), as specified in Section 214 of the California Revenue and Taxation Code, of its Member(s).

(iii) Each Member of the Company shall be an organization(s) organized and operated exclusively for exempt purposes, as specified in Section 214(g) of the California Revenue and Taxation Code, and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or under Section 23701(d) of the California Revenue and Taxation Code (a “Qualifying Entity”). Each Qualifying Entity shall have a valid, unrevoked letter from the Internal Revenue Service or the Franchise Tax Board, stating that it qualifies as an exempt organization under Section 501(3) of the Internal Revenue Code of 1986, as amended, or under Section 23701(d) of the California Revenue and Taxation Code. Any direct or indirect transfer of a Membership Interest in the Company to an entity or person that is not a Qualifying Entity is strictly prohibited.

(iv) The property, assets, profits and net income of the Company are dedicated irrevocably to one or more of the exempt purposes specified in Sections 214(g) and 214.10 of the California Revenue and Taxation Code.

(v) Upon dissolution of the Company, all assets of the Company shall be distributed to a Qualifying Entity.

(vi) Any amendments to Articles and/or to this Agreement shall be consistent with Section 214(g) of the California Revenue and Taxation Code.

(vii) The Company shall not merge with, or convert into, a for-profit entity.

(viii) The Company shall not distribute any assets to any Member who ceases to be an organization as described in Section 214(g) of the California Revenue and Taxation Code.

ARTICLE 11 MISCELLANEOUS

11.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and to be performed entirely therein.

11.2 Complete Agreement. This Agreement and the Articles constitute the complete and exclusive statement of agreement of the Members relating to the Company.

11.3 Binding Effect; Amendments. Subject to the provisions of this Agreement and the Act relating to transferability, this Agreement will be binding upon and inure to the benefit of the Members and their distributees, successors, and assigns. This Agreement cannot be amended without the unanimous consent of the Members.

11.4 No Third-Party Beneficiary. This Agreement is made solely and specifically among and for the benefit of the Company and the Members, and their respective successors and assigns subject to the express provisions hereof relating to successors and assigns, and no other Person will have any rights, interests, or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third-party beneficiary or otherwise. This Agreement is not intended for the benefit of a creditor who is not a Member and does not grant any rights to or confer any benefits on any Person who is not a Member, or an officer or agent of the Company, except as provided in Section 11.13.

11.5 Gender and Number in Nouns and Pronouns. Common nouns and pronouns will be deemed to refer to the masculine, feminine, and neuter, singular and plural, as the identity of the person or persons, firms or corporation may in the context require. The singular shall include the plural and the masculine gender shall include the feminine and neuter, and vice versa, as the context requires. Any references to the California Revenue and Taxation Code, the Act, or statutes or laws will include all amendments, modifications, or replacement of the specific sections and provisions concerned.

11.6 Notices. Any notice to be given or to be served upon the Company or any party hereto in connection with this Agreement must be in writing (which may include facsimile) and will be deemed to have been given and received when delivered to the address of the Company set forth herein or to the address of the party specified by the party to receive the notice. Such notices to a Member will be given to a Member at the address specified in **Exhibit A** hereto. Any party may, at any time by giving five (5) days' prior written notice to the other Members, designate any other address in substitution of the foregoing address to which such notice will be given.

11.7 Multiple Counterparts. This Agreement may be executed, in two or more counterparts, each of which shall be deemed, an original, but all of which shall constitute one and the same instrument.

11.8 Further Assurances. Each Member, and the Manager, agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Agreement and the transactions contemplated hereby.

11.9 Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

11.10 References in this Agreement. Numbered or lettered articles, sections, and subparagraphs herein contained refer to articles, sections, and subparagraphs of this Agreement unless otherwise expressly stated.

11.11 Exhibits. All Exhibits attached to this Agreement are incorporated and shall be treated as if set forth herein.

11.12 Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective during the term of this Agreement, this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there will be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

11.13 Withholding of Certain Amounts. In the event that any tax is required to be withheld with respect to any Member by any taxing authority:

(i) Any such tax required to be withheld shall be charged to the Member's Adjusted Capital Account as if the amount of such tax had been distributed to such Member.

(ii) The Manager shall have the right to make a loan to the Company in an amount equal to the amount of tax required to be withheld to the extent that cash is needed to make the required withholding payment attributable to the Member; and

(iii) The Manager may retain appropriate portions of such Member's distributions until any withholding obligations relating to that Member are satisfied and may apply such distributions to repay any loan made pursuant to Section 11.13(ii) hereof.

[Signatures are on the following page]

IN WITNESS WHEREOF, the Members have executed this Agreement, effective as of the date first written above.

MEMBERS:

Capitol Area Community Development Corporation, a California nonprofit public benefit corporation

By: _____
Name: Danielle Foster
Its: President

Pacific Housing, Inc.,
a California nonprofit public benefit corporation

By: _____
Name: Mark Wiese
Its: President

MANAGER:

Capitol Area Community Development Corporation, a California nonprofit public benefit corporation

By: _____
Name: Danielle Foster
Its: President

EXHIBIT A

**NAME, ADDRESS, CAPITAL CONTRIBUTION AND PERCENTAGE
INTEREST OF MEMBERS**

NAME ADDRESS	CAPITAL CONTRIBUTION	PERCENTAGE INTEREST
Capitol Area Community Development Corporation 1522 14 th Street Sacramento, CA 95814	\$79.00	79%
Pacific Housing, Inc. 2115 J St #201 Sacramento, CA 95816	\$21.00	21%

Exhibit A