

DeAnza Gardens, a California Limited Partnership
Managing General Partner; DeAnza Housing Corporation,
A California Non-Profit Public Benefit Corporation



Joseph Villarreal, President
Anthony Reese, Treasurer of the Corporation
Ken Bartlett, Secretary of the Corporation
Joanne Segura, Member at Large
Nataline Jindoian, Member at Large

PERSONS WHO WISH TO ADDRESS THE BOARD DURING PUBLIC COMMENT OR WITH RESPECT TO AN
ITEM THAT IS ON THE AGENDA, WILL BE LIMITED TO TWO (2) MINUTES.

AGENDA

BOARD OF DIRECTORS MEETING DeANZA HOUSING CORPORATION

Large Conference Room, 3133 Estudillo St., Martinez, CA 94553

Zoom Meeting ID: 856 8615 8885

<https://us02web.zoom.us/j/85686158885>

Monday, September 18, 2023 at 4:00pm

- I. Call to Order
- II. CONSIDER CONSENT ITEMS: Items are subject to removal from the Consent Calendar by request from any Board Member or on request for discussion by a member of the public. Items removed from the Consent Calendar will be considered with the Discussion Items.
- III. DISCUSSION ITEMS
 1. CONSIDER Consent Items previously removed
 2. PUBLIC COMMENT (2 Minutes/Speaker)
 3. AUTHORIZE and ADOPT Resolution No. 1004 acting as the general partner of DeAnza Housing Gardens, L.P. approving the sale of DeAnza Gardens to Deanza Housing Corporation (DHC), a California non-profit public benefit corporation, approving the assignment of the ground lease and HAP Contract to DHC and the dissolution of the limited partnership at DeAnza Gardens and authorizing the President of DHC to execute any and all documents necessary to implement the above actions.



4. Approve and adopt Resolution No. 1005 for approving the purchase of DeAnza Gardens from DeAnza Gardens LP, approve the assumption of the ground lease and HAP Contract by DeAnza Housing Corporation, and approve the refinancing of the existing debt at DeAnza Gardens with a new loan from PNC bank.

Approve and adopt Resolution No. 1006 approving an amendment to the DeAnza Housing Corporation By-Laws to revise the method of appointing Board Members.

IV. Adjournment

GENERAL INFORMATION

Persons who wish to address the Board of Directors should complete the form provided for that purpose and furnish a copy of any written statement to the Secretary.

All matters listed under CONSENT ITEMS are considered by the Board of Directors to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a member of the Board or a member of the public prior to the time the Directors vote on the motion to adopt.

Comments on matters listed on the agenda or otherwise within the purview of the Board of Directors can be submitted via mail: DeAnza Housing Corporation, PO Box 2759, Martinez, CA 94553, by telephone: (925) 957-8028, or via fax: (925) 372-3678.

The DeAnza Housing Corporation will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact Nataline Jindoian at least 24 hours before the meeting at (925) 957-8028; TDD (925) 957-1685.



DeAnza Gardens, a California Limited Partnership
Managing General Partner; DeAnza Housing Corporation,
A California Non-Profit Public Benefit Corporation



TO: DEANZA HOUSING CORPORATION BOARD OF DIRECTORS

FROM: ELIZABETH CAMPBELL, EXECUTIVE DIRECTOR

DATE: SEPTEMBER 18, 2023

SUBJECT: ACTING AS THE GENERAL PARTNER OF DEANZA GARDENS, LP, APPROVE THE SALE OF DEANZA GARDENS TO DEANZA HOUSING CORPORATION, APPROVE THE ASSIGNMENT OF THE GROUND LEASE AND HAP CONTRACT TO DEANZA HOUSING CORPORATION AND THE DISSOLUTION OF THE LIMITED PARTNERSHIP AT DEANZA GARDENS AND AUTHORIZE THE PRESIDENT OF THE BOARD OF DIRECTORS TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO COMPLETE THE SALE AND DISSOLUTION

I. RECOMMENDED ACTION:

Authorize and adopt Resolution No. 1004 acting as the general partner of DeAnza Housing Gardens, L.P. approving the sale of DeAnza Gardens to Deanza Housing Corporation (DHC), a California non-profit public benefit corporation, approving the assignment of the ground lease and HAP Contract to DHC and the dissolution of the limited partnership at DeAnza Gardens and authorizing the President of DHC to execute any and all documents necessary to implement the above actions.

II. FINANCIAL IMPACT:

DeAnza Gardens, LP currently owes approximately \$1 million to the Housing Authority of the County of Contra Costa (HACCC)'s Central Office Cost Center for a construction loan and \$2 million to public housing for a land lease that includes accrued interest. These will both be repaid to HACCC at closing. Additionally, going forward, DHC will be able to pay their land lease of \$72,000/yr. as opposed to accruing that cost.

III. REASONS FOR RECOMMENDATION/BACKGROUND:

DeAnza Gardens (the "Project") is comprised of 180 units constructed in 2004 – 2005 and funded by several resources including Low Income Housing Tax Credits ("LIHTC"). As part of the transaction, DeAnza Garden, L.P., a California limited partnership (the "Partnership") was formed for the purpose of owning, constructing, and operating the Project. DeAnza Housing Corporation was formed as a California nonprofit public benefit corporation to serve as a general partner in the Partnership along with the Housing



Authority of the County of Contra Costa ("HACCC"). On May 6, 2021, this Board approved the transfer of the limited partner interest from BCP/DeAnza Gardens, LLC, a Delaware limited liability company and BCCC, Inc., a Massachusetts corporation, as the investor limited partner and the special limited partner of the Partnership, respectively (collectively, the "Limited Partners") to HACCC and removed HACCC as a co-General Partner of the Partnership.

Since then, staff has been working to refinance the debt on DeAnza Gardens because the initial funding included a balloon mortgage payment that would be due on October 1, 2023, for approximately \$6.5 million. HACCC procured a new lender, PNC Bank, to handle the consolidation of existing debt into a \$13 million loan that would sunset previous debt and fund operating reserves for short and long-term capital needs. In addition to refinancing the debt, the Partnership is dissolving as it is no longer needed to administer the tax credits since the fifteen-year compliance period expired in 2019. However, there will remain a tax credit obligation on the property until 2083 to ensure the property remains affordable.

Moreover, at its inception, the Partnership executed a Ground Lease with HACCC so that the land owned by HACCC could be encumbered by the Partnership under the Tax Credit Program. On June 1, 2022, the Partnership further executed a Housing Assistance Payments Contract to layer Project-Based Voucher rental assistance on the units at DeAnza Gardens. The ground lease and the HAP Contract are now being amended to reflect that the parties of record will be HACCC and the DeAnza Housing Corporation, HACCC's non-profit affiliate, because the Partnership is being dissolved. The terms of the ground lease and the HAP Contract will remain in effect. This resolution authorizes the Board to assign the ground lease and the HAP Contract to the DeAnza Housing Corporation.

Lastly, this resolution takes formal action to dissolve the Limited Partnership formed in 2002 and as amended in subsequent periods to receive the tax credits for DeAnza Gardens. With the compliance period over and HACCC substituted as the limited partner in 2021, there no longer is the need to have the Partnership in place. Accordingly, DeAnza Housing Corporation, as the buyer of DeAnza Gardens, will assume all assets, liabilities, and contractual obligations of the Partnership.

IV. CONSEQUENCES OF NEGATIVE ACTION:

If the actions to permit the President of the Board of Directors of DeAnza Housing Corporation to approve the sale of DeAnza Gardens to Deanza Housing Corporation, approve the assignment of the ground lease and HAP Contract to Deanza Housing Corporation and the dissolution of the limited partnership at DeAnza Gardens are not approved by the Board, HACCC will have to establish a refinancing agreement with the



current lender at a significantly higher interest rate than is being offered by PNC and completely restructure the deal to transfer ownership of DeAnza Gardens. It is also possible that DeAnza Gardens would not fall under the control of HACCC and could be lost as affordable housing in the future.

V. ATTACHMENTS:

All relevant documents are available for review at HACCC's main office.



EXHIBIT B - DEANZA HOUSING CORP - SOURCES AND USES

Prepared by Zach McCaslin of HACCC

Sources:	as of:			
Partnership Operating Cash	8/16/2023	\$	688,563.39	
Partnership Operating Reserves	8/16/2023	\$	1,069,843.15	
Partnership Replacement Reserves	8/16/2023	\$	739,730.77	
PNC Loan	10/1/2023	\$	13,000,000.00	\$ 15,498,137.31

Total Sources:		\$	15,498,137.31
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Uses:				
Initial Deposit Into Operating Reserves		\$	1,069,843.15	
Initial Deposit Into Replacement Reserves		\$	739,730.77	\$ 1,809,573.92
CCRC Loan - Final 10/01/23 Payment - Principle	10/1/2023	\$	6,443,369.66	
CCRC Loan - Final 10/01/23 Payment - Interest	10/1/2023	\$	35,438.53	\$ 6,478,808.19
DeAnza Housing Corp. Loan Principal Balance	10/1/2023	\$	1,000,000.00	
DeAnza Housing Corp. Loan Accrued Interest	10/1/2023	\$	1,377,280.02	\$ 2,377,280.02
HACCC Loan Principal Balance	10/1/2023	\$	1,000,000.00	
HACCC Loan Accrued Interest	10/1/2023	\$	675,106.87	\$ 1,675,106.87
HACCC Ground Lease Payable - Rents	10/1/2023	\$	1,464,000.00	
HACCC Ground Lease Payable - Interest	10/1/2023	\$	693,101.12	\$ 2,157,101.12

(loan costs:)

Fannie Mae Delivery Fee 0.05%	estimate	\$	6,500.00	
PNC Processing Fee	estimate	\$	3,000.00	
PNC Financing Fee 0.80%	estimate	\$	104,000.00	
PNC Legal Fee (estimate)	estimate	\$	22,250.00	
Borrower Legal (estimate)	estimate	\$	22,250.00	
Appraisal	estimate	\$	6,000.00	
Phase I	estimate	\$	2,500.00	
Engineering (PCNA) Report	estimate	\$	3,500.00	
Title & Recording	estimate	\$	25,000.00	
Misc. (estimate)	estimate	\$	5,000.00	
Repair Escrow (125% of \$42,650)	estimate	\$	53,313.00	\$ 253,313.00
DeAnza Housing Corp. Mgmt Fees Payable	8/16/2023	\$	518,031.31	
Portion of HACCC Operating Advance Payable	8/16/2023	\$	228,922.88	\$ 746,954.19

Total Uses:		\$	15,498,137.31
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Remaining:		\$	-
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De Anza Gardens Loan - Side by Side Comparison

	<u>Old (pre-PBV)</u>	<u>New</u>	<u>Difference</u>
Lender	CCRC	PNC	-
Loan Term	18 Years	30 Years	12 Years
Amortization	30 Years	30 Years	-
Loan Amount	\$ 10,115,373	\$ 13,000,000	\$ 2,884,627
Annual Interest Rate (Fixed)	6.60%	6.31%	-0.29%
Annual Debt Service Payments	\$ 775,233	\$ 966,615	\$ 191,382
Monthly Debt Service Payments	\$ 64,603	\$ 80,551	\$ 15,948
Annual Rental Income	\$ 2,106,240	\$ 3,455,520	\$ 1,349,280
Monthly Rental Income	\$ 175,520	\$ 287,960	\$ 112,440

**DEANZA HOUSING CORPORATION
DEANZA GARDENS, L.P.
PARTNERSHIP AUTHORIZING RESOLUTION**

RESOLUTION No. 1004

RE: Approving Sale of Property, Assignment and Assumption of Ground Lease, Assignment of AHAP and Dissolving Partnership
(DeAnza Gardens Apartments)

At a duly constituted meeting of the Board of Directors (the "**Board**") of DeAnza Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), held on September 18, 2023, the following resolutions were adopted by the Corporation acting as the general partner of the Partnership:

WHEREAS, the Corporation entered into a limited partnership known as DeAnza Gardens LP, a California Limited Partnership (the "**Partnership**"), as general partner together with the Housing Authority of the County of Contra Costa (the "**Housing Authority**").

WHEREAS, the Housing Authority and the Partnership entered to that certain Ground Lease (DeAnza Gardens) dated June 1, 2003 ("**Ground Lease**"), whereby the Housing Authority agreed to lease the Property to the Partnership to facilitate the Partnership's development of an affordable housing community ("**Project**") on the Property. The Ground Lease is evidenced by that certain Memorandum of Ground Lease dated June 1, 2003, and recorded against the Property in the Official Records of Contra Costa County as document number 2003-493184 on June 30, 2003.

WHEREAS, the Partnership owns the leasehold interest in that certain property located at 205 Pueblo Avenue, County of Contra Costa, California as well as a fee interest in the improvements located thereon (the "**Property**").

WHEREAS, the Partnership intends to sell the Property to the Corporation pursuant to a Purchase and Sale Agreement to be entered into by the Partnership and the Corporation (the "**Purchase Agreement**").

WHEREAS, the Partnership shall enter into any and all documents, including without limitations, the Purchase Agreement, grant deeds, assignments, amendments, certifications, resolutions, and any other documents deemed reasonably necessary for the Partnership to sell and convey the Property to the Corporation (the "**Documents**").

WHEREAS, the Partnership desires use the proceeds from sale of the Property to pay off the existing loans with Bank of America, N.A., a National Banking Association, the Housing Authority and the Corporation (the "**Existing Loans**"), as well as pay accrued ground rent pursuant to the Ground Lease and enter into any and all necessary documents, including without limitations, any reconveyances, releases, and any other documents deemed reasonably necessary for the Partnership to pay off the Existing Loans (the "**Pay Off Loan Documents**").

WHEREAS, the Partnership intends to assign the Ground Lease to the Corporation and enter into an assignment of Ground Lease (the "**Assignment of Ground Lease**").

WHEREAS, the Partnership intends to enter into an Assignment of Housing Assistance Payment Contract with the Housing Authority (the "**AHAP**") and assign the Housing Assistance Payment Contract to the Corporation.

WHEREAS, the Partnership intends to wind up and dissolve, and assign its assets to a qualified entity and enter into any all documents to effectuate the dissolution of the Partnership (the "**Dissolution Documents**").

NOW, THEREFORE, BE IT RESOLVED: That the Partnership shall sell the Property to the Corporation and enter into the Documents.

FURTHER RESOLVED: That the Partnership shall pay off the Existing Loans, and shall enter into the Pay Off Loan Documents.

FURTHER RESOLVED: That the Partnership shall enter into the Assignment of Ground Lease.

FURTHER RESOLVED: That the Partnership shall enter into the AHAP.

FURTHER RESOLVED: That the Partnership shall assign any Partnership assets and enter into the Dissolution Documents in order to dissolve the Partnership.

FURTHER RESOLVED: That Joseph Villarreal, President of the Corporation, or any other officer of the Corporation, acting alone on behalf of the Corporation, in its capacity as the general partner of the Partnership, is authorized, empowered and directed to execute any and all necessary documents, including, but not limited to, the Documents, the Assignment of Ground Lease, the AHAP, the Pay Off Demands and the Dissolution Documents.

RESOLVED FURTHER: That to the extent that any actions authorized herein have already been performed, such actions are ratified and approved.

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SECRETARY'S CERTIFICATE

I, the undersigned, hereby certify that the foregoing is a true copy of the Resolution adopted by the Board of Commissioners at a meeting of the Corporation, and that said Resolution is in full force and effect.

Dated: September 18, 2023

By: _____
Kenneth Bartlett, Secretary

DeAnza Gardens, a California Limited Partnership
Managing General Partner; DeAnza Housing Corporation,
A California Non-Profit Public Benefit Corporation



TO: DEANZA HOUSING CORPORATION BOARD OF DIRECTORS

FROM: ELIZABETH CAMPBELL, EXECUTIVE DIRECTOR

DATE: SEPTEMBER 18, 2023

SUBJECT: APPROVE A RESOLUTION OF THE BOARD OF DIRECTORS OF DEANZA HOUSING CORPORATION TO APPROVE THE PURCHASE OF DEANZA GARDENS FROM DEANZA GARDENS LP, APPROVE THE ASSIGNMENT OF THE GROUND LEASE AND HAP CONTRACT TO DEANZA HOUSING CORPORATION AND APPROVAL OF THE PNC LOAN AND AUTHORIZE THE PRESIDENT OF THE BOARD TO EXECUTE ANY AND ALL DOCUMENTS NECESSARY TO IMPLEMENT THE ABOVE ACTIONS.

APPROVE A RESOLUTIONS TO AMEND THE BYLAS OF DE ANZA HOUSING CORPORATION TO REVISE THE METHOD OF APPOINTING BOARD MEMBERS

I. RECOMMENDED ACTION:

Approve and adopt Resolution No. 1005 for approving the purchase of DeAnza Gardens from DeAnza Gardens LP, approve the assumption of the ground lease and HAP Contract by DeAnza Housing Corporation, and approve the refinancing of the existing debt at DeAnza Gardens with a new loan from PNC bank.

Approve and adopt Resolution No. 1006 approving an amendment to the DeAnza Housing Corporation By-Laws to revise the method of appointing Board Members.

II. FINANCIAL IMPACT:

DeAnza Gardens, LP currently owes approximately \$1 million to the Housing Authority of the County of Contra Costa (HACCC)'s Central Office Cost Center for a construction loan and \$2 million to public housing for a land lease that includes accrued interest. These will both be repaid to HACCC at closing. DeAnza Gardens, LP also owed DeAnza Housing Corporation approximately \$1 million. Additionally, going forward, De Anza will be able to pay their land lease of \$72,000/yr. as opposed to accruing that cost.



III. REASONS FOR RECOMMENDATION/BACKGROUND:

DeAnza Gardens (the "Project") is comprised of 180 units constructed in 2004 – 2005 and funded by several resources including Low Income Housing Tax Credits ("LIHTC"). As part of the transaction, DeAnza Garden, L.P., a California limited partnership (the "Partnership") was formed for the purpose of owning, constructing, and operating the Project. DeAnza Housing Corporation was formed as a California nonprofit public benefit corporation to serve as a general partner in the Partnership along with the Housing Authority of the County of Contra Costa ("HACCC"). On May 6, 2021, this Board approved the transfer of the limited partner interest from BCP/DeAnza Gardens, LLC, a Delaware limited liability company and BCCC, Inc., a Massachusetts corporation, as the investor limited partner and the special limited partner of the Partnership, respectively (collectively, the "Limited Partners") to HACCC and removed HACCC as a co-General Partner of the Partnership.

Since then, staff has been working to refinance the debt on DeAnza Gardens because the initial funding included a balloon mortgage payment that would be due on October 1, 2023, for approximately \$6.5 million. HACCC procured a new lender, PNC Bank, to handle the consolidation of existing debt into a \$13 million loan that would sunset previous debt and fund operating reserves for short and long-term capital needs. The new loan is expected to reduce the interest rate on DeAnza Gardens' debt from 6.6% to 6.31%. In addition, it is expected to generate 64% more revenue in the coming years as a result of the layering of project-based rental subsidies on the rental units.

The new loan will resolve the impending balloon payment due to the California Community Reinvestment Corporation as well as payoff the principal and interest on loans made to the Partnership by the Housing Authority and DeAnza Housing Corporation that remain outstanding. In addition, the new loan will settle arrears in the ground lease payments that have accrued to date and fund an initial deposit to the replacement reserve as required by PNC Bank and the California Tax Credit Allocation Committee. Exhibit B provides a detailed breakdown of the sources and uses of the new loan.

Moreover, at its inception, the Partnership executed a Ground Lease with HACCC so that the land owned by HACCC could be encumbered by the Partnership under the Tax Credit Program. On June 1, 2022, the Partnership further executed a Housing Assistance Payments Contract to layer Project-Based Voucher rental assistance on the units at DeAnza Gardens. The ground lease and the HAP Contract are now being amended to reflect that the parties of record will be HACCC and the DeAnza Housing Corporation, HACCC's non-profit affiliate, because the Partnership is being dissolved. The terms of the ground lease and the HAP Contract will remain in effect. This resolution authorizes the Board to assign the ground lease and the HAP Contract to the DeAnza Housing Corporation.

Lastly, the second resolution amends the by-laws of the DeAnza Housing Corporation to incorporate a new structure of the Board's membership that limits the make-up of the DHC



Board to employees of HACCC so that there are no risks of any future forfeiture of the property as affordable housing by a wayward Board and ensures DHC has directorial control of the property's future.

CONSEQUENCES OF NEGATIVE ACTION:

If the actions to permit the President of the Board of Directors of DeAnza Housing Corporation to approve the sale of DeAnza Gardens to Deanza Housing Corporation (DHC), a California non-profit public benefit corporation, approve the assignment of the ground lease and HAP Contract to Deanza Housing Corporation, amend the by-laws of DeAnza Housing Corporation and approve the refinancing of the existing debt at DeAnza Gardens with a new loan from PNC bank are not approved, HACCC will have to establish a refinancing agreement with the current lender at a significantly higher interest rate than is being offered by PNC and completely restructure the deal to transfer ownership of DeAnza Gardens. It is also possible that DeAnza Gardens would not fall under the control of HACCC and could be lost as affordable housing in the future.

IV. ATTACHMENTS:

All relevant documents are available for review at HACCC's main office.



**DEANZA HOUSING CORPORATION
CORPORATE AUTHORIZING RESOLUTION
RE: Purchase and Sale Agreement, Assignment of Ground Lease, AHAP and PNC Loan**

RESOLUTION No. 1005

At a duly constituted meeting of the Board of Directors of DeAnza Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), held on September 18, 2023, the following resolutions were adopted:

WHEREAS, in this resolution, when it states the Corporation will act, the Board deems such actions to be in the best interest of the Corporation.

WHEREAS, the Corporation entered into a limited partnership known as DeAnza Gardens, L. P., a California limited partnership (the "**Partnership**"), as general partner together with the Housing Authority of the County of Contra Costa (the "**Housing Authority**"), as the limited partner.

WHEREAS, the Partnership owns the leasehold interest in that certain property located at 205 Pueblo Avenue, in the City of Bay Point, County of Contra Costa, California as well as the improvements located thereon (the "**Property**") and the Housing Authority owns the fee interest in the real property.

WHEREAS, the Housing Authority and the Partnership entered to that certain Ground Lease (DeAnza Gardens) dated June 1, 2003 ("**Ground Lease**"), whereby the Housing Authority agreed to lease the Property to Partnership to facilitate Partnership's development of an affordable housing community ("**Project**") on the Property. The Ground Lease is evidenced by that certain Memorandum of Ground Lease dated June 1, 2003, and recorded against the Property in the Official Records of Contra Costa County as document number 2003-493184 on June 30, 2003.

WHEREAS, the Corporation shall purchase the Property from the Partnership in order to own and operate the Project.

WHEREAS, the Partnership and Corporation will enter into a Purchase and Sale Agreement (the "**Purchase Agreement**"), for the transfer of the Property from the Partnership to the Corporation.

WHEREAS, PNC will provide a loan to the Corporation in the approximate amount of Thirteen Million Dollars (\$13,000,000) (the "**PNC Loan**");

WHEREAS, the Corporation intends to borrow the PNC Loan and to enter into a loan agreement, promissory note, assignment of property management agreement, and any other documents necessary to consummate the PNC Loan (collectively, the "**PNC Loan Documents**").

WHEREAS, the Corporation intends to enter into an Assignment of Housing Assistance Payment Contract with the Housing Authority accepting an assignment of the Housing Assistance Payment Contract from the Partnership (the "**AHAP**").

WHEREAS, the Corporation intends to accept an assignment of the Ground Lease from the Partnership and enter into an assignment of Ground Lease (the "**Assignment of Ground Lease**").

WHEREAS, the Corporation intends to enter into an amended and restated Ground Lease making certain amendments to the Ground Lease including extending the term of the Ground Lease until October 2083 ("**Amended Ground Lease**").

NOW, THEREFORE, BE IT RESOLVED: That the Corporation shall agree to purchase the Property and enter into the Purchase Agreement.

FURTHER RESOLVED: That the Corporation shall borrow the PNC Loan, and shall enter into the PNC Loan Documents.

FURTHER RESOLVED: That the Corporation shall pay off the Existing Loans, and shall enter into the Pay Off Loan Documents.

FURTHER RESOLVED: That the Corporation shall assume the Housing Assistance Payment Contract with the Housing Authority and enter into the AHAP.

FURTHER RESOLVED: That the Corporation shall assume the Ground Lease and enter into the Assignment of Ground Lease.

FURTHER RESOLVED: That the Corporation shall enter into the Amended Ground Lease.

FURTHER RESOLVED: That Joseph Villarreal, President of the Corporation, or any other officer of the Corporation, acting alone on behalf of the Corporation, is authorized, empowered and directed to execute any and all necessary documents in its own capacity, including, but not limited to, the Purchase Agreement, the PNC Loan Documents, the AHAP, the Assignment of Ground Lease, and the Amended Ground Lease.

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that the foregoing is a true copy of the Resolution adopted by the Board of Directors of the above-mentioned Corporation at a duly constituted meeting, and that said Resolution is in full force and effect.

Dated: September 18, 2023

By: _____

Name: Kenneth Bartlett
Secretary

**DEANZA HOUSING CORPORATION
CORPORATE AUTHORIZING RESOLUTION
RE: Amendment of Bylaws**

RESOLUTION No. 1006

At a duly constituted meeting of the Board of Directors of DeAnza Housing Corporation, a California nonprofit public benefit corporation (the "**Corporation**"), held on September 18, 2023, the following resolutions were adopted:

WHEREAS, in this resolution, when it states the Corporation will act, the Board deems such actions to be in the best interest of the Corporation.

WHEREAS, the Corporation intends to amend the bylaws of the Corporation and adopt the Third Amended and Restated Bylaws of DeAnza Housing Corporation in the form attached as Exhibit A (the "**Amended Bylaws**").

NOW, THEREFORE, BE IT RESOLVED: That the Corporation shall adopts the Amended Bylaws.

FURTHER RESOLVED: That Joseph Villarreal, President of the Corporation, or any other officer of the Corporation, acting alone on behalf of the Corporation, in its own capacity, is authorized, empowered and directed to execute any and all necessary documents in its own capacity to implement the Amended Bylaws

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that the foregoing is a true copy of the Resolution adopted by the Board of Directors of the above mentioned Corporation at a duly constituted meeting, and that said Resolution is in full force and effect.

Dated: September 18, 2023

By: _____

Name: _____
Nataline Jindoian, Secretary

EXHIBIT A

AMENDED BYLAWS OF THE CORPORATION

THIRD AMENDED AND RESTATED BYLAWS OF
DeANZA HOUSING CORPORATION

A California Nonprofit Public Benefit Corporation

ARTICLE 1.
NAME

Section 1.1 Name. The name of this corporation is DeAnza Housing Corporation (the "Corporation").

ARTICLE 2.
OFFICES

Section 2.1 Principal Office. The principal office for the affairs of the Corporation is located at 3133 Estudillo Street, P.O. Box 2759, Martinez, CA 94553. The board of directors of the Corporation (the "Board") may change the principal office from one location to another.

Section 2.2 Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

ARTICLE 3.
MEMBERS

Section 3.1 No Members. The Corporation shall have no members. All corporate actions shall be approved by the Board in the manner provided in these Bylaws, except such actions as are authorized by these Bylaws without further Board approval.

ARTICLE 4.
DIRECTORS

Section 4.1 General Corporate Powers. Subject to the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the Corporation's activities and affairs shall be managed by, and all corporate powers shall be exercised under the direction of, the Board.

Section 4.2 Specific Powers. Without prejudice to the general powers set forth in Section 4.1, but subject to the same limitations, the directors shall have the power to:

a. Appoint and remove, at the pleasure of the Board, all the Corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with applicable

law, the Corporation's articles of incorporation, and these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

b. Change the principal office or the principal business office in California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency, or country, and conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of the Board.

c. Adopt or alter and use a corporate seal.

d. Borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

e. Construct, operate, maintain, improve, buy, sell, convey, assign, mortgage, or lease any real estate and personal property necessary and incident to the provision of housing for low income persons.

Section 4.3 Authorized Number of Directors. The authorized number of directors shall be five (5).

Section 4.4 Compensation and Reimbursement of Directors. The directors shall serve without compensation, although they may be reimbursed for their expenditures on behalf of the Corporation.

Section 4.5 Restriction on Interested Persons as Directors. No more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, and/or (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. Any violation of this Section 4.5 shall not affect the enforceability of any transaction entered into by the Corporation.

Section 4.6 Appointment, Term of Office and Qualification of Directors.

a. Upon the effective date of these Third Amended and Restated Bylaws, the directors shall be appointed as follows:

The Board members of the Corporation must be employees of the Housing Authority of the County of Contra Costa, a public body, corporate and politic (the "Housing Authority") and shall be appointed by the Executive Director of the Housing Authority. Board members appointed by the Executive Director of the Housing Authority shall take office immediately upon appointment and replace any Board members serving at the time that these Third Amended and Restated

Bylaws become effective. The Executive Director of the Housing Authority can stagger the terms of Board members, if necessary, at the time of appointment.

b. That term of office of each director shall be the longer of two (2) years or until his or her successor is appointed.

c. Appointment of directors appointed by the Board shall take place annually at a regular meeting or a special meeting of the Corporation.

Section 4.7 Vacancies on the Board. A vacancy shall be deemed to exist if the actual number of directors is less than the authorized number for any reason.

Section 4.8 Removal of Directors. The board of directors of the Corporation may remove any director (other than the Housing Authority Member) from the Board with or without cause. Absence of a director from three (3) or more consecutive Board meetings shall constitute cause for removal. The Housing Authority Member may be removed from the Board by the Housing Authority with or without cause.

Section 4.9 Resignations of Directors. Except as provided below, any director may resign by giving written notice to the president or secretary of the Corporation. The resignation shall be effective when the notice is given or at any later time specified in the notice. Except on notice to the Attorney General of California, no director may resign if the Corporation would be left without a duly appointed director.

Section 4.10 Filling Vacancies. Vacancies shall be filled by the Board for the members appointed by the Board and by the Housing Authority for the Housing Authority Member.

Section 4.11 No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term expires.

Section 4.12 Meetings of the Board. A regular meeting of the Board shall be held at least once a year at such time and place as shall be designated by the directors for the purpose of organization, election of officers, and the transaction of other business.

Section 4.13 Special Meetings. Special meetings of the Board may be called for any purpose and at any time by the president, the secretary, or any two (2) directors.

Section 4.14 Notice. Notice of regular and special meetings shall be given to the directors not less than four (4) days prior to the meeting if delivered by first class mail or not less than forty-eight (48) hours prior to the meeting if the notice is delivered personally or by telephone. The notice must state the date and time of the meeting and the place of the meeting if it is other than the principal office of the Corporation. In addition, notice of all regular and special meetings must comply with the provisions of the California Public Meeting Law, commonly known as the Brown Act, to the extent applicable.

Section 4.15 Waiver of Notice. Notice of a meeting need not be given to any director who either before or after the meeting signs a waiver of notice a written consent to the holding of the meeting or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting also need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 4.16 Quorum. A majority of the directors currently on the Board shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum has been present shall be the act of the Board.

Section 4.17 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment to another time and place shall be given to the directors who were not present at the time of the adjournment.

Section 4.18 Action Without a Meeting. To the extent permitted by the California Public Meeting Law, as that law applies to the Corporation, any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action. Such action by written consent shall have the same effect as any action approved at a meeting by the unanimous vote of the directors. For the purpose of this section, "all members of the Board" shall not include any "interested director" as defined by Section 5233 of the California Corporations Code. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 4.19 Meetings by Conference Telephone. Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all persons participating in the meeting can hear each other. Participation by directors in a meeting in the manner provided in this Section 4.19 constitutes presence in person at the meeting.

Section 4.20 Committee of Directors. The Board may, by resolution, designate one (1) or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the Board's designating resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- a. Fill vacancies on the Board or on any committee;
- b. Fix compensation of directors for serving on the Board or any committee;
- c. Amend or repeal these Bylaws;

d. Amend or repeal any resolution of the Board which is not by its express terms so amendable or repealable;

e. Appoint any other committees of the Board or the members of established committees;

f. Spend corporate funds to support a nominee for director after there are more people nominated for director than can be elected; and

g. Approve any self-dealing transaction, except as provided by Section 5233(d)(3) of the California Corporations Code.

Section 4.21 Committee Meetings. Meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of this Article IV concerning meetings of directors, with such changes in the context of such Bylaws as are necessary to substitute the committee and its members for the Board and its members. Committee Meetings shall also comply with the requirements of the California Public Meeting Law to the extent applicable. Minutes shall be kept of each meeting of all committees and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws concerning meetings of directors.

Section 4.22 Standard of Care - General. A director shall perform the duties of a director, including duties as a member of all committees of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interest of the Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

a. One or more officers or employees of the Corporation whom the director believes to be reliable and competent in the matters presented;

b. Counsel, independent accountants, or other persons as to matters which the director believes to be within such persons' professional or expert competence; or

c. A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except in the case of a self-dealing director, as defined in Section 5233 of the California Corporations Code, a person who performs the duties of a director in accordance with the above shall have no liability based upon alleged failure to discharge that person's obligations as a

director, including (without limiting the generality of the foregoing) any actions or omissions that exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, may be dedicated.

Section 4.23 Standard of Care -- Investments. Except with respect to assets held for use or used directly in carrying out the Corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing the Corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the Corporation's capital. The provisions of Section 4.22 shall apply to this Section 4.23.

The Board shall also comply with all additional standards, if any, imposed by the Corporation's articles of incorporation, these Bylaws, or the express terms of any instrument or agreement pursuant to which the assets were obtained by the Corporation.

Section 4.24 Self-Dealing Transactions. A self-dealing transaction is one (a) to which the Corporation is a party and (b) in which one or more of the directors has a material financial interest, either directly or because the transaction is between the Corporation and any entity in which one or more of the Corporation's directors has a material financial interest. The Board shall not approve a self-dealing transaction unless:

- a. the Corporation is entering into the transaction for its own benefit;
- b. the transaction is fair and reasonable as to the Corporation at the time the Corporation entered into the transaction;
- c. the Board's approval occurs prior to consummating the transaction or any part thereof, unless (i) the Board's approval was not reasonably practicable to obtain prior to consummating the transaction, (ii) a committee or person authorized by the Board approves the transaction prior to its consummation, and (iii) the Board ratifies the transaction at its next meeting after determining that (i) and (ii) have been satisfied;
- d. the Board's approval is made in good faith;
- e. the Board's approval is made by a vote of a majority of the directors then in office without counting the vote of the interested director or directors;
- f. the Board's approval is made with knowledge of (i) the material facts concerning the transaction and (ii) the interested director's or directors' interest in the transaction; and
- g. after reasonable investigation, the Board has considered and in good faith determined under the circumstances that the Corporation could not have obtained a more advantageous arrangement with reasonable effort.

Section 4.25 Inspection. Every director shall, at his or her own expense, have the absolute right at any reasonable time during the business hours of the Corporation to inspect and

copy all books, records, and documents, and to inspect the physical properties, of the Corporation.

ARTICLE 5. OFFICERS

Section 5.1 Officers of the Corporation. The officers of the Corporation shall be a president, a secretary, a treasurer, and an Executive Director. The Corporation may also have, at the Board's discretion, one or more vice presidents, one or more assistant secretaries, and one or more assistant treasurers. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as the president. The president, secretary, and treasurer shall be chosen from among the directors of the Corporation. All other officers need not be members of the Board.

Section 5.2 Election of Officers. The officers of the Corporation, except those appointed under Section 5.3, shall be chosen annually by the Board, shall serve at the pleasure of the Board, and shall serve until a successor is chosen or such officer resigns or is removed from office.

Section 5.3 Other Officers. The Board may appoint or may authorize the president, or any other officer, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or as determined by the Board.

Section 5.4 Removal of Officers. Any officer may be removed with or without cause by the Board, and if the officer was appointed by an officer, then also by the officer who appointed him or her.

Section 5.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the president or secretary of the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation as an officer shall not affect the resigning officer's position as a director of the Corporation. However, an officer's resignation as a director pursuant to Section 4.9 shall automatically constitute resignation as an officer upon the effective date of resignation as a director.

Section 5.6 Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office. Vacancies may be filled as they occur.

Section 5.7 Reimbursement of Expenses. The Corporation may provide reimbursement for expenditures on behalf of the Corporation by its officers.

Section 5.8 President. The president shall preside at meetings of the Board and shall exercise and perform such other powers and duties as may from time to time be assigned to the president by the Board.

Section 5.9 Vice Presidents. If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a vice president designated by the Board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

Section 5.10 Secretary. The secretary shall have the following duties:

a. The secretary shall keep or cause to be kept, at the Corporation's principal office, or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of the meetings shall include the time and place that each meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized and the notice given.

b. The secretary shall keep or cause to be kept, at the Corporation's principal office, a copy of the Corporation's articles of incorporation and these Bylaws, as amended to date.

c. The secretary shall give or cause to be given notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The secretary shall keep the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 5.11 Treasurer. The treasurer shall have the following duties:

a. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's funds, properties, and transactions. The treasurer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, these Bylaws, or the Board. The books of account shall be open to inspection by any director at all reasonable times during the business hours of the Corporation.

b. The treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; shall disburse the Corporation's funds as the Board may order; shall render to the president and the Board, when requested, an account of all transactions and of the financial condition of the Corporation; and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 5.12 Executive Director. The executive director shall be the chief operating officer of the corporation and shall report to the Board. The executive director shall have those powers authorized by the Board and shall be responsible for managing the business of the

corporation, executing agreements authorized by the Board or authorized by the Bylaws, supervising staff and consultants, and carrying out other activities necessary or beneficial to the Corporation.

ARTICLE 6. MISCELLANEOUS

Section 6.1 Fiscal Year. The fiscal year of this Corporation shall end each year on December 31.

Section 6.2 Corporate Seal. This Corporation may have a seal, which shall be specified by resolution of the Board. The seal may be affixed to any corporate instruments, as directed by the Board or any of its officers, but failure to affix it shall not affect the validity of the instrument.

Section 6.3 Contracts. All contracts entered into on behalf of the Corporation must be authorized by the Board, except where the contract is for less than Twenty-Five Thousand Dollars (\$25,000), such contract may be authorized by the Executive Director. Any contract for an amount less than Twenty-Five Thousand Dollars (\$25,000) authorized by the Executive Director shall be reported to the Board at the next Board meeting following the contract authorization.

Section 6.4 Execution of Checks. Except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of the Corporation shall be signed by such individuals as are authorized by the Board.

Section 6.5 Indemnification. The Corporation shall indemnify its directors, officers, employees, and agents, including persons formerly occupying any such position, to the fullest extent permitted by law against all expenses, judgments, fines, and other amounts actually and reasonably incurred by them in connection with any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative.

In all cases where indemnification is sought, the Corporation shall be subject to the restrictions and requirements contained in Section 5238 of the California Corporations Code.

Section 6.6 Insurance. The Board may adopt a resolution authorizing the purchase of insurance on behalf of any director, officer, employee, or agent of the Corporation against any liability asserted against or incurred by the director, officer, employee, or agent in such capacity or arising out of the director's, officer's, employee's, or agent's status as such, whether or not this Corporation would have the power to indemnify the director, officer, employee, or agent against that liability under law, to the extent such insurance is commercially available and is economically feasible for the Corporation to purchase.

Section 6.7 Annual Report to Directors. The Board shall cause an annual report to be sent to the directors within one hundred twenty (120) days after the end of the Corporation's

fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- a. The assets and liabilities, including trust funds, of the Corporation as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- c. The revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year; and
- d. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

Section 6.8 Annual Statement of Certain Transactions. As part of the annual report to the directors pursuant to Section 6.5, the Corporation shall annually furnish a written statement to all directors that lists covered transactions in which the Corporation, its parent, or any subsidiary was a party and in which any director or officer of the Corporation, its parent, or any subsidiary had a direct or indirect material financial interest. A mere common directorship is not a material financial interest. For the purpose of this Section 6.6, covered transactions required to be reported are any transaction during the previous fiscal year (i) involving more than Fifty Thousand Dollars (\$50,000), or (ii) which was one of a number of transactions in which the same interested person had a direct or indirect material financial interest, and which in the aggregate involved more than Fifty Thousand Dollars (\$50,000). The statement prepared pursuant to this Section 6.6 shall contain the following information:

- a. A brief description of the covered transaction;
- b. The names of the interested person or persons;
- c. A brief description of the person's or persons' relationship to the Corporation; and
- d. A brief description of the nature of the person's or persons' interest in the transaction, and, where practicable, the amount of such interest. (In the case of a transaction with a partnership in which such a person is a partner, only the interest of the partnership need be stated.)

The statement prepared pursuant to this Section 6.6 shall also briefly describe the amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any current or former officer or director of the Corporation pursuant to Section 6.3.

Section 6.9 Amendment of Bylaws. The Bylaws may be amended or repealed and new Bylaws adopted by the vote of a majority of the members of the Board. Such amended or newly adopted Bylaws shall take effect immediately.

CERTIFICATE OF SECRETARY

I, the undersigned, certify:

(1) That I am the duly elected and acting Secretary of DeAnza Housing Corporation, a California nonprofit public benefit corporation; and

(2) That the foregoing Third Amended and Restated Bylaws, constitutes the amendment and restatement to the Bylaws of such corporation as duly ratified by action of the Board of Directors of the Corporation duly take on September 18, 2023.

IN WITNESS THEREOF, I have hereunto subscribed my name, this 18th day of September, 2023.

Nataline Jindoian, Secretary

~~SECOND~~THIRD AMENDED AND RESTATED BYLAWS OF
DeANZA HOUSING CORPORATION

A California Nonprofit Public Benefit Corporation

ARTICLE 1.
NAME

Section 1.1 Name. The name of this corporation is DeAnza Housing Corporation (the "Corporation").

ARTICLE 2.
OFFICES

Section 2.1 Principal Office. The principal office for the affairs of the Corporation is located at 3133 Estudillo Street, P.O. Box 2759, Martinez, CA 94553. The board of directors of the Corporation (the "Board") may change the principal office from one location to another.

Section 2.2 Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

ARTICLE 3.
MEMBERS

Section 3.1 No Members. The Corporation shall have no members. All corporate actions shall be approved by the Board in the manner provided in these Bylaws, except such actions as are authorized by these Bylaws without further Board approval.

ARTICLE 4.
DIRECTORS

Section 4.1 General Corporate Powers. Subject to the California Nonprofit Public Benefit Corporation Law and any other applicable laws, the Corporation's activities and affairs shall be managed by, and all corporate powers shall be exercised under the direction of, the Board.

Section 4.2 Specific Powers. Without prejudice to the general powers set forth in Section 4.1, but subject to the same limitations, the directors shall have the power to:

a. Appoint and remove, at the pleasure of the Board, all the Corporation's officers, agents, and employees; prescribe powers and duties for them that are consistent with applicable

law, the Corporation's articles of incorporation, and these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

b. Change the principal office or the principal business office in California from one location to another; cause the Corporation to be qualified to conduct its activities in any other state, territory, dependency, or country, and conduct its activities within or outside California; and designate any place within or outside California for holding any meeting of the Board.

c. Adopt or alter and use a corporate seal.

d. Borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

e. Construct, operate, maintain, improve, buy, sell, convey, assign, mortgage, or lease any real estate and personal property necessary and incident to the provision of housing for low income persons.

Section 4.3 Authorized Number of Directors. The authorized number of directors shall be five (5).

Section 4.4 Compensation and Reimbursement of Directors. The directors shall serve without compensation, although they may be reimbursed for their expenditures on behalf of the Corporation.

Section 4.5 Restriction on Interested Persons as Directors. No more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (a) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, and/or (b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. Any violation of this Section 4.5 shall not affect the enforceability of any transaction entered into by the Corporation.

Section 4.6 Appointment, Term of Office and Qualification of Directors.

a. ~~The initial directors shall be appointed by the Corporation's incorporator. All subsequent~~ Upon the effective date of these Third Amended and Restated Bylaws, the directors shall be appointed as follows:

~~(1) — One member of the Board shall be the Executive Director of the Housing Authority of the County of Contra Costa (the "Housing Authority Executive Director") for such time as the individual serves as the Housing Authority Executive Director. In the event that the position of Housing Authority Executive Director is vacant, then the individual serving as the acting or interim Housing Authority Executive Director shall be a member of the Board for such~~

~~time as the individual serves as the acting or interim Housing Authority Executive Director. (The member of the Board serving in accordance with this Section 4.6(a)(1) shall be referred to in these Bylaws as the "Housing Authority Member". The Housing Authority of the County of Contra Costa shall be referred to in these Bylaws as the "Housing Authority"); and~~

~~(2) All other members shall be appointed by the board of directors of the Corporation, one (1) of whom shall be a low or moderate income resident of the community of Bay Point including adjacent portions of the city of Pittsburg, and two (2) of whom shall be low or moderate income residents of the community of Bay Point including adjacent portions of the city of Pittsburg, owners or senior officers of private establishments and other institutions located in and serving the community of Bay Point including adjacent portions of the city of Pittsburg, or representatives of low and moderate income neighborhood organizations located in the community of Bay Point including adjacent portions of the city of Pittsburg.~~

The Board members of the Corporation must be employees of the Housing Authority of the County of Contra Costa, a public body, corporate and politic (the "Housing Authority") and shall be appointed by the Executive Director of the Housing Authority. Board members appointed by the Executive Director of the Housing Authority shall take office immediately upon appointment and replace any Board members serving at the time that these Third Amended and Restated Bylaws become effective.. The Executive Director of the Housing Authority can stagger the terms of Board members if necessary at the time of appointment.

b. ~~Except as provided below for the initial directors, and for the Housing Authority Member, the That term of office ~~for of~~ each director shall be the longer of two (2) years or until his or her successor is appointed. ~~In order to stagger the terms of the directors, the term of office for the initial directors appointed by the Corporation's incorporator shall be one (1) year for one (1) director, two (2) years for two (2) directors, and three (3) years for one (1) director, with the Board determining which terms shall apply to which directors.~~~~

c. Appointment of directors appointed by the Board shall take place annually at a regular meeting or a special meeting of the Corporation.

Section 4.7 Vacancies on the Board. A vacancy shall be deemed to exist if the actual number of directors is less than the authorized number for any reason.

Section 4.8 Removal of Directors. The board of directors of the Corporation may remove any director (other than the Housing Authority Member) from the Board with or without cause. Absence of a director from three (3) or more consecutive Board meetings shall constitute cause for removal. The Housing Authority Member may be removed from the Board by the Housing Authority with or without cause.

Section 4.9 Resignations of Directors. Except as provided below, any director may resign by giving written notice to the president or secretary of the Corporation. The resignation shall be effective when the notice is given or at any later time specified in the notice. Except on notice to the Attorney General of California, no director may resign if the Corporation would be left without a duly appointed director.

Section 4.10 Filling Vacancies. Vacancies shall be filled by the Board for the members appointed by the Board and by the Housing Authority for the Housing Authority Member.

Section 4.11 No Vacancy on Reduction of Number of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term expires.

Section 4.12 Meetings of the Board. A regular meeting of the Board shall be held at least once a year at such time and place as shall be designated by the directors for the purpose of organization, election of officers, and the transaction of other business.

Section 4.13 Special Meetings. Special meetings of the Board may be called for any purpose and at any time by the president, the secretary, or any two (2) directors.

Section 4.14 Notice. Notice of regular and special meetings shall be given to the directors not less than four (4) days prior to the meeting if delivered by first class mail or not less than forty-eight (48) hours prior to the meeting if the notice is delivered personally or by telephone. The notice must state the date and time of the meeting and the place of the meeting if it is other than the principal office of the Corporation. In addition, notice of all regular and special meetings must comply with the provisions of the California Public Meeting Law, commonly known as the Brown Act, to the extent applicable.

Section 4.15 Waiver of Notice. Notice of a meeting need not be given to any director who either before or after the meeting signs a waiver of notice a written consent to the holding of the meeting or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting also need not be given to any director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

Section 4.16 Quorum. A majority of the directors currently on the Board shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the directors present at a duly held meeting at which a quorum has been present shall be the act of the Board.

Section 4.17 Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment to another time and place shall be given to the directors who were not present at the time of the adjournment.

Section 4.18 Action Without a Meeting. To the extent permitted by the California Public Meeting Law, as that law applies to the Corporation, any action that the Board is required or permitted to take may be taken without a meeting if all members of the Board consent in writing to the action. Such action by written consent shall have the same effect as any action approved at a meeting by the unanimous vote of the directors. For the purpose of this section, "all members of the Board" shall not include any "interested director" as defined by Section 5233

of the California Corporations Code. All such consents shall be filed with the minutes of the proceedings of the Board.

Section 4.19 Meetings by Conference Telephone. Directors may participate in a meeting through use of conference telephone or similar communications equipment, so long as all persons participating in the meeting can hear each other. Participation by directors in a meeting in the manner provided in this Section 4.19 constitutes presence in person at the meeting.

Section 4.20 Committee of Directors. The Board may, by resolution, designate one (1) or more committees, each consisting of two (2) or more directors, to serve at the pleasure of the Board. Any committee, to the extent provided in the Board's designating resolution, shall have all the authority of the Board, except that no committee, regardless of Board resolution, may:

- a. Fill vacancies on the Board or on any committee;
- b. Fix compensation of directors for serving on the Board or any committee;
- c. Amend or repeal these Bylaws;
- d. Amend or repeal any resolution of the Board which is not by its express terms so amendable or repealable;
- e. Appoint any other committees of the Board or the members of established committees;
- f. Spend corporate funds to support a nominee for director after there are more people nominated for director than can be elected; and
- g. Approve any self-dealing transaction, except as provided by Section 5233(d)(3) of the California Corporations Code.

Section 4.21 Committee Meetings. Meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of this Article IV concerning meetings of directors, with such changes in the context of such Bylaws as are necessary to substitute the committee and its members for the Board and its members. Committee Meetings shall also comply with the requirements of the California Public Meeting Law to the extent applicable. Minutes shall be kept of each meeting of all committees and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws concerning meetings of directors.

Section 4.22 Standard of Care - General. A director shall perform the duties of a director, including duties as a member of all committees of the Board on which the director may serve, in good faith, in a manner such director believes to be in the best interest of the

Corporation, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

In performing the duties of a director, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

a. One or more officers or employees of the Corporation whom the director believes to be reliable and competent in the matters presented;

b. Counsel, independent accountants, or other persons as to matters which the director believes to be within such persons' professional or expert competence; or

c. A committee of the Board upon which the director does not serve, as to matters within its designated authority, which committee the director believes to merit confidence, so long as, in any such case, the director acts in good faith, after reasonable inquiry when the need thereof is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Except in the case of a self-dealing director, as defined in Section 5233 of the California Corporations Code, a person who performs the duties of a director in accordance with the above shall have no liability based upon alleged failure to discharge that person's obligations as a director, including (without limiting the generality of the foregoing) any actions or omissions that exceed or defeat a public or charitable purpose to which the Corporation, or assets held by it, may be dedicated.

Section 4.23 Standard of Care -- Investments. Except with respect to assets held for use or used directly in carrying out the Corporation's charitable activities, in investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing the Corporation's investments, the Board shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income as well as the probable safety of the Corporation's capital. The provisions of Section 4.22 shall apply to this Section 4.23.

The Board shall also comply with all additional standards, if any, imposed by the Corporation's articles of incorporation, these Bylaws, or the express terms of any instrument or agreement pursuant to which the assets were obtained by the Corporation.

Section 4.24 Self-Dealing Transactions. A self-dealing transaction is one (a) to which the Corporation is a party and (b) in which one or more of the directors has a material financial interest, either directly or because the transaction is between the Corporation and any entity in which one or more of the Corporation's directors has a material financial interest. The Board shall not approve a self-dealing transaction unless:

a. the Corporation is entering into the transaction for its own benefit;

b. the transaction is fair and reasonable as to the Corporation at the time the Corporation entered into the transaction;

c. the Board's approval occurs prior to consummating the transaction or any part thereof, unless (i) the Board's approval was not reasonably practicable to obtain prior to consummating the transaction, (ii) a committee or person authorized by the Board approves the transaction prior to its consummation, and (iii) the Board ratifies the transaction at its next meeting after determining that (i) and (ii) have been satisfied;

d. the Board's approval is made in good faith;

e. the Board's approval is made by a vote of a majority of the directors then in office without counting the vote of the interested director or directors;

f. the Board's approval is made with knowledge of (i) the material facts concerning the transaction and (ii) the interested director's or directors' interest in the transaction; and

g. after reasonable investigation, the Board has considered and in good faith determined under the circumstances that the Corporation could not have obtained a more advantageous arrangement with reasonable effort.

Section 4.25 Inspection. Every director shall, at his or her own expense, have the absolute right at any reasonable time during the business hours of the Corporation to inspect and copy all books, records, and documents, and to inspect the physical properties, of the Corporation.

ARTICLE 5. OFFICERS

Section 5.1 Officers of the Corporation. The officers of the Corporation shall be a president, a secretary, a treasurer, and an Executive Director. The Corporation may also have, at the Board's discretion, one or more vice presidents, one or more assistant secretaries, and one or more assistant treasurers. Any number of offices may be held by the same person, except that neither the secretary nor the treasurer may serve concurrently as the president. The president, secretary, and treasurer shall be chosen from among the directors of the Corporation. All other officers need not be members of the Board.

Section 5.2 Election of Officers. The officers of the Corporation, except those appointed under Section 5.3, shall be chosen annually by the Board, shall serve at the pleasure of the Board, and shall serve until a successor is chosen or such officer resigns or is removed from office.

Section 5.3 Other Officers. The Board may appoint or may authorize the president, or any other officer, to appoint any other officers that the Corporation may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or as determined by the Board.

Section 5.4 Removal of Officers. Any officer may be removed with or without cause by the Board, and if the officer was appointed by an officer, then also by the officer who appointed him or her.

Section 5.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the president or secretary of the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice. Unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation as an officer shall not affect the resigning officer's position as a director of the Corporation. However, an officer's resignation as a director pursuant to Section 4.9 shall automatically constitute resignation as an officer upon the effective date of resignation as a director.

Section 5.6 Vacancies in Office. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office. Vacancies may be filled as they occur.

Section 5.7 Reimbursement of Expenses. The Corporation may provide reimbursement for expenditures on behalf of the Corporation by its officers.

Section 5.8 President. The president shall preside at meetings of the Board and shall exercise and perform such other powers and duties as may from time to time be assigned to the president by the Board.

Section 5.9 Vice Presidents. If the president is absent or disabled, the vice presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a vice president designated by the Board, shall perform all duties of the president. When so acting, a vice president shall have all powers of and be subject to all restrictions on the president. The vice presidents shall have such other powers and perform such other duties as the Board or these Bylaws may prescribe.

Section 5.10 Secretary. The secretary shall have the following duties:

a. The secretary shall keep or cause to be kept, at the Corporation's principal office, or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of the meetings shall include the time and place that each meeting was held, whether the meeting was annual, regular, or special, and, if special, how authorized and the notice given.

b. The secretary shall keep or cause to be kept, at the Corporation's principal office, a copy of the Corporation's articles of incorporation and these Bylaws, as amended to date.

c. The secretary shall give or cause to be given notice of all meetings of the Board and of committees of the Board required by these Bylaws to be given. The secretary shall keep

the corporate seal in safe custody and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 5.11 Treasurer. The treasurer shall have the following duties:

a. The treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and accounts of the Corporation's funds, properties, and transactions. The treasurer shall send or cause to be given to the directors such financial statements and reports as are required to be given by law, these Bylaws, or the Board. The books of account shall be open to inspection by any director at all reasonable times during the business hours of the Corporation.

b. The treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate; shall disburse the Corporation's funds as the Board may order; shall render to the president and the Board, when requested, an account of all transactions and of the financial condition of the Corporation; and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 5.12 Executive Director. The executive director shall be the chief operating officer of the corporation and shall report to the Board. The executive director shall have those powers authorized by the Board and shall be responsible for managing the business of the corporation, executing agreements authorized by the Board or authorized by the Bylaws, supervising staff and consultants, and carrying out other activities necessary or beneficial to the Corporation.

ARTICLE 6. MISCELLANEOUS

Section 6.1 Fiscal Year. The fiscal year of this Corporation shall end each year on December 31.

Section 6.2 Corporate Seal. This Corporation may have a seal, which shall be specified by resolution of the Board. The seal may be affixed to any corporate instruments, as directed by the Board or any of its officers, but failure to affix it shall not affect the validity of the instrument.

Section 6.3 Contracts. All contracts entered into on behalf of the Corporation must be authorized by the Board, except where the contract is for less than Twenty Five Thousand Dollars (\$25,000), such contract may be authorized by the Executive Director. Any contract for an amount less than Twenty Five Thousand Dollars (\$25,000) authorized by the Executive Director shall be reported to the Board at the next Board meeting following the contract authorization.

Section 6.4 Execution of Checks. Except as otherwise provided by law, every check, draft, promissory note, money order, or other evidence of indebtedness of the Corporation shall be signed by such individuals as are authorized by the Board.

Section 6.5 Indemnification. The Corporation shall indemnify its directors, officers, employees, and agents, including persons formerly occupying any such position, to the fullest extent permitted by law against all expenses, judgments, fines, and other amounts actually and reasonably incurred by them in connection with any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative.

In all cases where indemnification is sought, the Corporation shall be subject to the restrictions and requirements contained in Section 5238 of the California Corporations Code.

Section 6.6 Insurance. The Board may adopt a resolution authorizing the purchase of insurance on behalf of any director, officer, employee, or agent of the Corporation against any liability asserted against or incurred by the director, officer, employee, or agent in such capacity or arising out of the director's, officer's, employee's, or agent's status as such, whether or not this Corporation would have the power to indemnify the director, officer, employee, or agent against that liability under law, to the extent such insurance is commercially available and is economically feasible for the Corporation to purchase.

Section 6.7 Annual Report to Directors. The Board shall cause an annual report to be sent to the directors within one hundred twenty (120) days after the end of the Corporation's fiscal year. That report shall contain the following information, in appropriate detail, for the fiscal year:

- a. The assets and liabilities, including trust funds, of the Corporation as of the end of the fiscal year;
- b. The principal changes in assets and liabilities, including trust funds, during the fiscal year;
- c. The revenue or receipts of the Corporation, both unrestricted and restricted for particular purposes, for the fiscal year; and
- d. The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.

Section 6.8 Annual Statement of Certain Transactions. As part of the annual report to the directors pursuant to Section 6.5, the Corporation shall annually furnish a written statement to all directors that lists covered transactions in which the Corporation, its parent, or any subsidiary was a party and in which any director or officer of the Corporation, its parent, or any subsidiary had a direct or indirect material financial interest. A mere common directorship is not a material financial interest. For the purpose of this Section 6.6, covered transactions required to be reported are any transaction during the previous fiscal year (i) involving more than Fifty Thousand Dollars (\$50,000), or (ii) which was one of a number of transactions in which the same

interested person had a direct or indirect material financial interest, and which in the aggregate involved more than Fifty Thousand Dollars (\$50,000). The statement prepared pursuant to this Section 6.6 shall contain the following information:

- a. A brief description of the covered transaction;
- b. The names of the interested person or persons;
- c. A brief description of the person's or persons' relationship to the Corporation; and
- d. A brief description of the nature of the person's or persons' interest in the transaction, and, where practicable, the amount of such interest. (In the case of a transaction with a partnership in which such a person is a partner, only the interest of the partnership need be stated.)

The statement prepared pursuant to this Section 6.6 shall also briefly describe the amount and circumstances of any indemnifications or advances aggregating more than Ten Thousand Dollars (\$10,000) paid during the fiscal year to any current or former officer or director of the Corporation pursuant to Section 6.3.

Section 6.9 Amendment of Bylaws. The Bylaws may be amended or repealed and new Bylaws adopted by the vote of a majority of the members of the Board. Such amended or newly adopted Bylaws shall take effect immediately.

CERTIFICATE OF SECRETARY

I, the undersigned, certify:

(1) That I am the duly elected and acting ~~secretary~~ Secretary of DeAnza Housing Corporation, a California nonprofit public benefit corporation; and

(2) That the foregoing ~~Bylaws, comprising eleven (11) pages, constitute~~ Third Amended and Restated Bylaws, constitutes the amendment and restatement to the Bylaws of such corporation as duly ratified by action of the Board of Directors of the ~~corporation duly taken on _____, 2002~~ Corporation duly take on September , 2023.

IN WITNESS THEREOF, I have hereunto subscribed my name, this ____ day of _____, ~~2002~~ 2023.

Secretary

EXHIBIT B - DEANZA HOUSING CORP - SOURCES AND USES

Prepared by Zach McCaslin of HACCC

<u>Sources:</u>	<u>as of:</u>			
Partnership Operating Cash	8/16/2023	\$	688,563.39	
Partnership Operating Reserves	8/16/2023	\$	1,069,843.15	
Partnership Replacement Reserves	8/16/2023	\$	739,730.77	
PNC Loan	10/1/2023	\$	13,000,000.00	\$ 15,498,137.31
Total Sources:				\$ 15,498,137.31

<u>Uses:</u>				
Initial Deposit Into Operating Reserves		\$	1,069,843.15	
Initial Deposit Into Replacement Reserves		\$	739,730.77	\$ 1,809,573.92
CCRC Loan - Final 10/01/23 Payment - Principle	10/1/2023	\$	6,443,369.66	
CCRC Loan - Final 10/01/23 Payment - Interest	10/1/2023	\$	35,438.53	\$ 6,478,808.19
DeAnza Housing Corp. Loan Principal Balance	10/1/2023	\$	1,000,000.00	
DeAnza Housing Corp. Loan Accrued Interest	10/1/2023	\$	1,377,280.02	\$ 2,377,280.02
HACCC Loan Principal Balance	10/1/2023	\$	1,000,000.00	
HACCC Loan Accrued Interest	10/1/2023	\$	675,106.87	\$ 1,675,106.87
HACCC Ground Lease Payable - Rents	10/1/2023	\$	1,464,000.00	
HACCC Ground Lease Payable - Interest	10/1/2023	\$	693,101.12	\$ 2,157,101.12
(loan costs:)				
Fannie Mae Delivery Fee 0.05%	estimate	\$	6,500.00	
PNC Processing Fee	estimate	\$	3,000.00	
PNC Financing Fee 0.80%	estimate	\$	104,000.00	
PNC Legal Fee (estimate)	estimate	\$	22,250.00	
Borrower Legal (estimate)	estimate	\$	22,250.00	
Appraisal	estimate	\$	6,000.00	
Phase I	estimate	\$	2,500.00	
Engineering (PCNA) Report	estimate	\$	3,500.00	
Title & Recording	estimate	\$	25,000.00	
Misc. (estimate)	estimate	\$	5,000.00	
Repair Escrow (125% of \$42,650)	estimate	\$	53,313.00	\$ 253,313.00
DeAnza Housing Corp. Mgmt Fees Payable	8/16/2023	\$	518,031.31	
Portion of HACCC Operating Advance Payable	8/16/2023	\$	228,922.88	\$ 746,954.19
Total Uses:				\$ 15,498,137.31
Remaining:				\$ -

De Anza Gardens Loan - Side by Side Comparison

	<u>Old (pre-PBV)</u>	<u>New</u>	<u>Difference</u>
Lender	CCRC	PNC	-
Loan Term	18 Years	30 Years	12 Years
Amortization	30 Years	30 Years	-
Loan Amount	\$ 10,115,373	\$ 13,000,000	\$ 2,884,627
Annual Interest Rate (Fixed)	6.60%	6.31%	-0.29%
Annual Debt Service Payments	\$ 775,233	\$ 966,615	\$ 191,382
Monthly Debt Service Payments	\$ 64,603	\$ 80,551	\$ 15,948
Annual Rental Income	\$ 2,106,240	\$ 3,455,520	\$ 1,349,280
Monthly Rental Income	\$ 175,520	\$ 287,960	\$ 112,440