

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

HOUSING AUTHORITY OF THE CITY OF NAPA
P.O. Box 660
Napa, CA 94559-0660
Attn: Housing Manager

TERMINATION AGREEMENT

by and among the

HOUSING AUTHORITY OF THE CITY OF NAPA,

**JPMORGAN CHASE BANK, N.A.,
as Bondowner Representative,**

and

**CHARTER OAKS ASSOCIATES,
a California limited partnership**

dated as of November __, 2019

relating to:

**Regulatory Agreement and Declaration of Restrictive Covenants,
dated as of July 1, 2001, among the
Housing Authority of the City of Napa,
Charter Oaks Associates, a California limited partnership,
and JPMorgan Chase Bank, N.A.,
successor to Washington Mutual Bank, FA, as Bondowner Representative**

TERMINATION AGREEMENT

This TERMINATION AGREEMENT, dated as of November __, 2019 (the "Agreement"), is by and among the HOUSING AUTHORITY OF THE CITY OF NAPA, a public corporation formed and governed by California Health and Safety Code Sections 34200 (the "Housing Authority"), JPMORGAN CHASE BANK, N.A., successor to Washington Mutual Bank, FA, as bondowner representative (the "Bondowner Representative"), and CHARTER OAKS ASSOCIATES, a California limited partnership (the "Borrower").

R E C I T A L S :

WHEREAS, Borrower owns that certain real property known as Napa County Assessor's Parcel Number 050-330-003-000 and more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, pursuant to an Indenture of Trust, dated as of July 1, 2001 (the "Indenture"), between the Housing Authority and Washington Mutual Bank, FA, as Bondowner Representative (the "Original Bondowner Representative"), the Housing Authority issued its Housing Authority of the City of Napa Multifamily Housing Revenue Bonds (Charter Oaks Apartments), 2001 Series A (the "Bonds"); and

WHEREAS, the proceeds of the Bonds were loaned by the Housing Authority to the Borrower (the "Loan") pursuant to a Loan Agreement, dated as of July 1, 2001, between the Housing Authority and the Borrower (the "Loan Agreement"), and the Borrower used proceeds of the Loan to finance the acquisition and rehabilitation of a 75 unit multifamily rental housing facility known as Charter Oaks Apartments located on the Property in the City of Napa (the "Project"); and

WHEREAS, in connection with the issuance of the Bonds, the Housing Authority, the Original Bondowner Representative and the Borrower entered into a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 2001 (the "2001 Regulatory Agreement") and recorded against the Property on July 13, 2001 in the official records of the County of Napa, State of California, as Doc No. 2001-0023298, which Regulatory Agreement sets forth certain terms and conditions relating to the operation of the Project and terminates on July 10, 2056; and

WHEREAS, the Borrower is selling the Project to Charter Oaks Apartments II, LP, a California limited partnership (the "Buyer"), and in order to provide funds for the acquisition and rehabilitation of the Project, the California Statewide Communities Development Authority (the "CSCDA") is borrowing funds from Citibank, N.A. ("Citibank"), and is delivering to Citibank its Multifamily Housing Revenue Construction/Permanent Note (Charter Oaks Apartments) 2019 Series Q-1 and its Multifamily Housing Revenue Construction Note (Charter Oaks Apartments)

2019 Series Q-2 (collectively, the "2019 Notes"), and its Multifamily Housing Revenue Bonds (Charter Oaks Apartments) 2019 Subordinate Series Q-S (the "2019 Bonds") to evidence the borrowing, and CSCDA will be loaning the proceeds of the 2019 Notes and the 2019 Bonds to the Buyer; and

WHEREAS, the Borrower previously repaid the Loan resulting in a redemption of the Bonds; and

WHEREAS, in connection with the delivery of the 2019 Notes and the 2019 Bonds, CSCDA and the Buyer will be entering into a new Regulatory Agreement and Declaration of Restrictive Covenants (the "New Regulatory Agreement"), which will place restrictions on the operations of the Project that are at least as restrictive, and for a term at least as long, as the restrictions in the 2001 Regulatory Agreement; and

WHEREAS, JPMorgan Chase Bank, N.A., the Bondowner Representative, has succeeded to the interests of the Original Bondowner Representative, including its rights and obligations under the Indenture and under the 2001 Regulatory Agreement; and

WHEREAS, CSCDA and the Buyer have agreed to make the owners of the Bonds beneficiaries of the New Regulatory Agreement, so that the New Regulatory Agreement can supplant the 2001 Regulatory Agreement upon its execution; and

WHEREAS, in light of the aforementioned provisions of the 2019 Regulatory Agreement, the Buyer has requested that the Housing Authority enter into this Agreement to terminate the 2001 Regulatory Agreement so that the Housing Authority can obtain the benefits of the 2019 Regulatory Agreement, but not have the obligation to continue to monitor the Project as is contemplated by the 2001 Regulatory Agreement; and

WHEREAS, pursuant to Section 11 of the 2001 Regulatory Agreement, the parties may agree to terminate the 2001 Regulatory Agreement early provided that the Housing Authority and Bondowner Representative receive "...an opinion of Bond Counsel that such termination will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds or the exemption from State personal income taxation of the interest on the Bonds;" and

WHEREAS, the Housing Authority and the Bondowner Representative have received the opinion of Bond Counsel (as defined in the 2001 Regulatory Agreement) to the effect that the execution and delivery of this Agreement and the New Regulatory Agreement, and the termination of the 2001 Regulatory Agreement as provided herein, will not adversely affect the exclusion of the interest on the Bonds from the gross incomes of the owners of the Bonds; and

WHEREAS, the Housing Authority and the Borrower now desire to provide for the termination of the 2001 Regulatory Agreement as provided herein, and have requested that the Bondowner Representative execute this Agreement.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

Section 1. Termination.

(a) The Housing Authority, the Bondowner Representative and the Borrower hereby agree that the 2001 Regulatory Agreement shall cease and terminate.

(b) In accordance with the foregoing, the 2001 Regulatory Agreement recorded on July 13, 2001, as Doc No. 2001-0023298 in the Official Records of Napa County, State of California, is hereby terminated and is of no further force and effect.

(c) From and after the date hereof, none of the Housing Authority, the Bondowner Representative or the Borrower shall have any further rights or obligations under the Regulatory Agreement.

Section 2. Execution in Counterparts. This Termination Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have duly executed this Termination Agreement as of the day and year first written above.

HOUSING AUTHORITY OF THE CITY OF NAPA, a
public corporation formed and governed by
California Health and Safety Code Sections 34200

By: _____
Steve Potter,
Executive Director

ATTEST:

Tiffany Carranza,
Deputy Secretary

COUNTERSIGNED:

Desiree Brun,
City Auditor

APPROVED AS TO FORM:

Michael W. Barrett,
Housing Authority General Counsel

JPMORGAN CHASE BANK, N.A., as Bondowner
Representative

[Signature page to Termination Agreement for Charter Oaks Apartments]

By: _____
Authorized Officer

[Signature page to Termination Agreement for Charter Oaks Apartments]

CHARTER OAKS ASSOCIATES, a
California limited partnership

BAYSIDE CHARTER, LLC, a Delaware limited
liability company,

By: Bayside Communities, LLC, a Delaware
limited liability company, its administrative
general partner

By: _____
Basil P. Rallis,
President & COO

COMMUNITY RESIDENT SERVICES, a California
nonprofit public benefit corporation, its
managing general partner

By: _____
Erin Myers,
Executive Director

14004.02:J16508

[Signature page to Termination Agreement for Charter Oaks Apartments]

NOTARY ACKNOWLEDGMENT

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

State of California

County of _____

} ss.

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

State of California }
 County of _____ } ss.

On _____, before me, _____
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared _____
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Signature _____ [Seal]
Notary Public

NOTARY ACKNOWLEDGMENT

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

WITNESS my hand and official seal.

Signature _____ [Seal]
Notary Public

EXHIBIT A

LEGAL DESCRIPTION OF PROJECT SITE

All that certain real property located in the City of Napa, County of Napa, State of California, described as follows:

That Parcel of Land shown as "Charter Oak Park", on the Map entitled "Record of Survey of the Lands of Samuel R. Geddes", filed August 31, 1964 in Book 6 of Surveys at Page 94, Napa County Records.

Excepting therefrom however the Northern 12 feet thereof as described in the Deed to the County of Napa, recorded August 26, 1964 in Book 705, Page 299, of Official Records and the Eastern 16 feet thereof as described in the Deed to the City of Napa, recorded August 20, 1965 in Book 729, Page 303, of Official Records.

Also excepting therefrom that portion of said land described in the Deed to Ogo Associates, a partnership, recorded September 14, 1971 in Book 859, Page 643, of Official Records.

Also excepting therefrom that portion of said land described in the Deed to R. Leonard Garrison, et ux., recorded April 21, 1970 in Book 826, Page 990, of Official Records.

APN: 050-330-003-000