**FIRST 5 FRESNO COUNTY**  
**ADMINISTERED BY CHILDREN & FAMILIES COMMISSION OF FRESNO COUNTY**

**DATE:** Wednesday, December 9, 2020  
**TIME:** 11:30 a.m. – Regular Meeting  

Per the Governor of California’s Executive Order N-29-20 issued on March 17, 2020, this Regular Meeting will be via Zoom using the following link  
[https://zoom.us/j/99442459170?pwd=ZERxQTBqQlJ4Ym99iNH0sQI5qSG9KZz09](https://zoom.us/j/99442459170?pwd=ZERxQTBqQlJ4Ym99iNH0sQI5qSG9KZz09)  

**Meeting ID:** 994 4245 9170 and **Passcode:** 878072. The public may participate in the meeting, as otherwise permitted under the Brown Act, by joining using the link above.

**AGENDA**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUBJECT</th>
<th>PRESENTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>CALL TO ORDER</td>
<td>Chair Pacheco</td>
</tr>
<tr>
<td>2.</td>
<td>POTENTIAL CONFLICTS OF INTEREST</td>
<td>Chair Pacheco</td>
</tr>
<tr>
<td></td>
<td>Any Commission Member who has potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>CONSENT AGENDA – ITEM 3a</td>
<td>Chair Pacheco, F. González, E.D.</td>
</tr>
<tr>
<td>Action</td>
<td>See attached Consent Agenda.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Overview:</strong> These matters are routine in nature and are usually approved by a single vote. Prior to action by the Commission, the public will be given the opportunity to comment on any Consent Item.</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>PUBLIC HEARING ON THE FIRST 5 FRESNO COUNTY 2020-2025 STRATEGIC PLAN</td>
<td>Chair Pacheco</td>
</tr>
<tr>
<td>Public Hearing</td>
<td><strong>Overview:</strong> Required annual public hearing to review the First 5 Fresno County 2020-2025 Strategic Plan. Community members may obtain copies of the Strategic Plan online at <a href="https://www.first5fresno.org/wp-content/uploads/2019/07/First-5-Fresno-County-2020-2025-Strategic-Plan-FINAL.pdf">www.first5fresno.org</a> or by contacting the Commission office at: 2405 Tulare Street Suite 200, Fresno, CA 93721. Phone: 559-558-4900</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>FINANCIAL REPORT FOR PERIOD ENDING SEPTEMBER 2020</td>
<td>F. González, E.D., A. Hillis, Staff</td>
</tr>
<tr>
<td>Action</td>
<td>Supporting Documents</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>NEW MARKET TAX CREDIT - EXIT DOCUMENTS &amp; ACTIVITIES</td>
<td>F. González, E.D., K. Price, Legal Counsel</td>
</tr>
<tr>
<td>Action</td>
<td>Supporting Documents</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>EXECUTIVE DIRECTOR REPORT</td>
<td>F. González, E.D.</td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>PUBLIC COMMENT</td>
<td>F. González, E.D.</td>
</tr>
<tr>
<td>Information</td>
<td>Limit two minutes per speaker. Public Comment is also taken on individual agenda items throughout the meeting at the conclusion of each agenda item.</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>ANNOUNCEMENTS / INFORMATION SHARING</td>
<td>Chair Pacheco</td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>ADJOURNMENT</td>
<td>Chair Pacheco</td>
</tr>
</tbody>
</table>

**NOTE:** NEXT REGULAR MEETING – JANUARY 20, 2021

**NOTE:** If you need disability modification or accommodation in order to participate in this meeting, please contact the Commission office at (559) 558-4900 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).
**DATE:**  Wednesday, December 9, 2020

**TIME:**  11:30 a.m. – Regular Meeting

**CONSENT AGENDA**

(Any Commissioner may pull any Consent Item for discussion or separate vote.)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUBJECT</th>
<th>PRESENTER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3a.</strong> Action Pg. 2</td>
<td>MINUTES FROM OCTOBER 21, 2020 REGULAR COMMISSION MEETING Supporting Document</td>
<td>F. González, E.D.</td>
</tr>
</tbody>
</table>

We encourage the public to attend. If you have a disability and need accommodations to participate in a meeting, please contact the Commission office at (559) 558-4900 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).
CONSENT AGENDA ITEM NO. 3a

RECOMMENDED ACTION:

Approve Commission Meeting Minutes – October 21, 2020

ACTION SUMMARY MINUTES
October 21, 2020 – 12:00 p.m.

PRESENT: Commissioners: Brian Pacheco, Kari Gilbert, Hugo Morales, Marcia Sablan, Dawan Utecht

ABSENT: Shantay Davies-Balch

STAFF: Fabiola González, Alix Hillis, Hannah Norman, Mayra Diaz, Cindy Jurado Hernandez, Sypher Lee, Cecilia Paredes, Karen Rangel, Liliana Salcedo, Johnathan Zepeda, Ken Price (Legal Counsel)

1. CALL TO ORDER

2. POTENTIAL CONFLICTS OF INTEREST: Any Commission Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter.

None heard.

3. CONSENT AGENDA – ITEMS 3a – 3d
These matters are routine in nature and are usually approved by a single vote. Prior to action by the Commission, the public is given the opportunity to comment on a consent item. Any Commission Member may pull any consent item for discussion or separate vote.

Chair Pacheco pulled consent agenda item 3d from consent. All other items remained on consent.

Public Comment: None heard.

Motion by: Gilbert Second by: Utecht
Ayes: Gilbert, Morales, Sablan, Utecht, Pacheco
Noes: None heard.

3d. CONSENT AGENDA ITEM 3d – CHILD-FRIENDLY BUSINESS AWARDS – MEDIA CAMPAIGN AGREEMENT

Public Comment: None heard.
4. **PUBLIC HEARING – STATE ANNUAL REPORT AND FINANCIAL AUDIT REPORT FOR FISCAL YEAR 2019-2020**

   Public Comment: *None heard.*

   No action required.

5. **STATE ANNUAL REPORT AND FINANCIAL AUDIT REPORT FOR THE FISCAL YEAR 2019-2020**

   Public Comment: *None heard.*

   Motion by: Utecht  Second by: Gilbert
   Ayes: Gilbert, Morales, Sablan, Utecht, Pacheco
   Noes: None heard.

6. **CONFLICT OF INTEREST POLICY REVISIONS**

   Public Comment: *None heard.*

   Motion by: Morales  Second by: Gilbert
   Ayes: Gilbert, Morales, Sablan, Utecht, Pacheco
   Noes: None heard.

7. **2021 REGULAR COMMISSION MEETING SCHEDULE**

   Public Comment: *None heard.*

   Motion by: Gilbert  Second by: Sablan
   Ayes: Gilbert, Morales, Sablan, Utecht, Pacheco
   Noes: None heard.

8. **EXECUTIVE DIRECTOR REPORT**

   Public Comment: *None heard.*

   No action required.

9. **PUBLIC COMMENT**

   Public Comment:

   Jessica Blanchfield, President of Archer & Hound Advertising, thanked the Commission for the opportunity to be the approved contractor for the Child-Friendly Business Awards Media Campaign.
10. **ANNOUNCEMENTS/INFORMATION SHARING**

Public Comment:

Commissioner Sablan shared the Firebaugh Children’s Center was able to open with a capacity of 10 children and staff there is conducting COVID-19 testing of staff every two-weeks. She also shared she attended a virtual conference, and the topic of perinatal African American infant mortality is once again, being discussed as a nationwide issue.

Commissioner Morales thanked staff for continuing to work during the pandemic and ensuring that services for families continue even through modified means. He requested for the next meeting to include information on the topic of broadband and the difficulties families are facing and how the Commission can express support for solutions.

No action required.

11. **ADJOURNMENT**

Public Comment: None heard.

Motion by: Gilbert Second by: Utecht
Ayes: Gilbert, Morales, Sablan, Utecht, Pacheco
Noes: None heard.
AGENDA ITEM NO. 5

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director


RECOMMENDED ACTION:
Accept the financial report for period ending September 30, 2020.

BACKGROUND:
This item is intended to keep the Commission apprised of financial activity as of September 30, 2020 (25% of the year) and to provide an opportunity to discuss and review financial activities for the reporting period.

KEY POINTS:
The following are key points of the attached financials for context.

Revenues: $2,306,425 (25% received)
- Proposition 10 Revenue: $2,182,065 (28% received) – First 5 California has reported Proposition 10 revenue through September 2020.
- CalViva - Group Prenatal Care Project Support $50,000 (100% received) – This grant from CalViva Health, received in August 2020, is restricted for use for the Glow! Group Prenatal Care Project to aid expansion efforts. At the time of budget development, the commitment from CalViva had not yet been guaranteed.
- Interest Revenue – County Treasury: $45,108 (451% received) – More interest revenue, from Prop. 10 funds being held in the County Treasury, has been received than forecasted as a result of conservative budgeting for this revenue source based on prior year’s amount.

Operating Expense: $215,226 (13% of budget expensed) – All expenses are within budget limits.
- Audit Expense: $12,415 (50% of budget expensed) – The majority of the audit fieldwork, for the FY2019-20 audit, took place in the first quarter of the fiscal year with the due date of October 31 st.
- Capital & Equipment Expense: $6,840 (33% of budget expensed) – At the start of the year, the Commission’s server required updating and computer equipment that had reached its useful life was replaced.

Strategic Plan Investments Areas: $2,616,452 (28% of budget committed/assigned) - Development of contracts are on target and within budget constraints.
Continuing Service Provider Expenses: $289,257 (3% of budget disbursed) – These funds represent the contracts the Commission committed in previous fiscal years, but that are still being spent out. Expenses are on track and within budget constraints. Most funded partners are reimbursed quarterly. The first quarter ended September 30th; thus, expenses will be reflected in later reporting periods.

**FISCAL IMPACT:**

Overall, expenses are within budget constraints for fiscal year 2020–2021.
## FIRST 5 FRESNO COUNTY
### FINANCIAL STATEMENT  October 2020 (25%)

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Budget Target (25%)</th>
<th>Budget</th>
<th>Actual/Awarded</th>
<th>Variance</th>
<th>Budget Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>07/01/2020-06/30/2021</td>
<td>07/01/2020-09/30/2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proposition 10 Revenue</strong></td>
<td>$7,865,000</td>
<td>$2,182,065</td>
<td>28%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>External Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>First 5 CA QRIS Revenue</strong></td>
<td>$1,224,739</td>
<td>$0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>First 5 CA - Dual Language Learner Pilot Study Grant</strong></td>
<td>$61,052</td>
<td>$0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CalViva - Group Prenatal Care Project Support</strong></td>
<td>$0</td>
<td>$50,000</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Revenue</strong></td>
<td>$100,000</td>
<td>$29,253</td>
<td>29%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Interest Revenue - County Treasury</strong></td>
<td>$10,000</td>
<td>$45,108</td>
<td>451%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investment Earnings</strong></td>
<td>$100,000</td>
<td>$0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenues Total</strong></td>
<td>$9,360,791</td>
<td>$2,306,425</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Budget Target (25%)</th>
<th>Budget</th>
<th>Actual/Awarded</th>
<th>Variance</th>
<th>Budget Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries &amp; Benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary Expense</td>
<td>$736,914</td>
<td>$104,519</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payroll Tax Expense</td>
<td>$79,311</td>
<td>$6,962</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement Expense</td>
<td>$64,436</td>
<td>$9,031</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefits Expense</td>
<td>$261,072</td>
<td>$30,515</td>
<td>12%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worker's Compensation Expense</td>
<td>$10,154</td>
<td>$0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Salaries &amp; Benefits Expenses Total</strong></td>
<td>$1,151,887</td>
<td>$151,027</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Services &amp; Supplies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit Expense</td>
<td>$25,000</td>
<td>$12,415</td>
<td>50%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital &amp; Equipment Expense</td>
<td>$20,500</td>
<td>$6,840</td>
<td>33%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner/Advisory Expense</td>
<td>$3,200</td>
<td>$0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues &amp; Subscriptions Expense</td>
<td>$32,447</td>
<td>$573</td>
<td>2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment Rental/Maintenance Expense</td>
<td>$38,248</td>
<td>$6,029</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General &amp; Administrative Expense</td>
<td>$20,976</td>
<td>$2,853</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance Expense</td>
<td>$16,027</td>
<td>$2,456</td>
<td>15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials &amp; Supplies Expense</td>
<td>$15,800</td>
<td>$438</td>
<td>3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overhead Expense</td>
<td>$118,000</td>
<td>$24,642</td>
<td>21%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Development/Strategic Planning Expense</td>
<td>$5,000</td>
<td>$0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services Expense</td>
<td>$110,484</td>
<td>$6,150</td>
<td>6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Training &amp; Conference Expense</td>
<td>$25,000</td>
<td>$0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone Expense</td>
<td>$17,592</td>
<td>$1,803</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Travel Expense - Local Mileage</td>
<td>$2,500</td>
<td>$0</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Services &amp; Supplies Expenses Total</strong></td>
<td>$450,774</td>
<td>$64,199</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenses Total</strong></td>
<td>$1,602,661</td>
<td>$215,226</td>
<td>13%</td>
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</tbody>
</table>
## Strategic Plan Investment Areas

### Strategic Plan Investments

<table>
<thead>
<tr>
<th>Area</th>
<th>Budget 07/01/2020-06/30/2021</th>
<th>Actual/Awarded 07/01/2020-09/30/2020</th>
<th>Variance</th>
<th>Budget Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help Me Grow Fresno County</td>
<td>$200,000</td>
<td>$0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Thriving Families Service Programs</td>
<td>$1,853,135</td>
<td>$0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Community Learning Center</td>
<td>$599,665</td>
<td>$599,665</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Patient-Centered Prenatal Care</td>
<td>$574,466</td>
<td>$460,514</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>African American Infant Mortality Prevention</td>
<td>$1,199,324</td>
<td>$200,000</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>QRIS - Local High Quality Training &amp; Technical Assistance</td>
<td>$1,400,000</td>
<td>$195,000</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Innovation &amp; Learning Partnerships</td>
<td>$200,000</td>
<td>$137,840</td>
<td>69%</td>
<td>69%</td>
</tr>
</tbody>
</table>

### Strategic Plan Investments Total

|                           | $6,026,589                     | $1,593,018                          | 26%      |                  |

### Accountability and Evaluation

<table>
<thead>
<tr>
<th>Area</th>
<th>Budget 07/01/2020-06/30/2021</th>
<th>Actual/Awarded 07/01/2020-09/30/2020</th>
<th>Variance</th>
<th>Budget Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability Services</td>
<td>$145,750</td>
<td>$145,750</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Evaluation Services</td>
<td>$300,000</td>
<td>$300,000</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### Accountability and Evaluation Total

|                           | $445,750                      | $445,750                            | 100%     |                  |

### Externally Funded Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget 07/01/2020-06/30/2021</th>
<th>Actual/Awarded 07/01/2020-09/30/2020</th>
<th>Variance</th>
<th>Budget Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 5 CA QRIS- IMPACT Program</td>
<td>$572,624</td>
<td>$0</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>First 5 CA QRIS- IMPACT Regional Hub Program</td>
<td>$652,115</td>
<td>$349,842</td>
<td>54%</td>
<td>54%</td>
</tr>
<tr>
<td>First 5 CA - Dual Language Learner Pilot Study Grant</td>
<td>$61,052</td>
<td>$16,543</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>CalViva - Group Prenatal Care Project Support</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

### Externally Funded Programs Total

|                           | $1,285,791                     | $366,385                            | 28%      |                  |

### Strategic Plan Investment Areas Total

|                           | $7,758,130                     | $2,405,154                          | 31%      |                  |

### First 5 Fresno County Budget Total

|                           | $9,360,791                     | $2,620,379                          | 28%      |                  |

### Continuing Service Provider Expenses

<table>
<thead>
<tr>
<th>Program</th>
<th>Budget 07/01/2020-06/30/2021</th>
<th>Actual/Awarded 07/01/2020-09/30/2020</th>
<th>Variance</th>
<th>Budget Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Childhood System of Care</td>
<td>$844,032</td>
<td>$135,675</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>Help Me Grow &amp; Thriving Families Service Programs - 2019-2020 Budget</td>
<td>$4,487,927</td>
<td>$105,664</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Patient Centered Prenatal Care - 2019-2020 Budget</td>
<td>$900,000</td>
<td>$218</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>QRIS - Local High Quality Training - 2019-2020 Budget</td>
<td>$2,100,000</td>
<td>$47,701</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### Continuing Service Provider Expenses Total

|                           | $8,331,959                     | $289,257                            | 3%       |                  |

### Contingency

<table>
<thead>
<tr>
<th>Fund</th>
<th>Budget 07/01/2020-06/30/2021</th>
<th>Actual/Awarded 07/01/2020-09/30/2020</th>
<th>Variance</th>
<th>Budget Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations Contingency Fund</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>100%</td>
<td>N/A</td>
</tr>
<tr>
<td>Strategic Reserve Fund</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>100%</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Legend

- **Budget Target**: Actual/Awarded
- **Service Provider Actual**: Actual/Awarded
- **Strategic Plan Actual/Awarded**: Actual/Awarded
- **Budget Performance**: Variance
  - 100% = 100% of Budget Target
  - 80% = 80% of Budget Target
  - 69% = 69% of Budget Target
  - 17% = 17% of Budget Target
  - 14% = 14% of Budget Target
  - 6% = 6% of Budget Target
  - 54% = 54% of Budget Target
  - 27% = 27% of Budget Target
  - 0% = 0% of Budget Target
### MONTHLY PROPOSITION 10 REVENUE COMPARISON

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<th>FY 16/17</th>
<th>FY 17/18</th>
<th>FY 18/19</th>
<th>FY 19/20</th>
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**Dollars**
FIRST 5 FRESNO COUNTY
BALANCE SHEET
SEPTEMBER 2020

ASSETS

- Operating Checking: $95,386
- Program Checking: $2,195,872
- Loans Receivable, Long Term: $10,956,060
- Revenue Receivable: $2,574,664
- Treasury: $6,601,392
- Investment Portfolio: $11,711,986

FUND BALANCE

- Unassigned: $4,175,996
- Contingency: $3,000,000
- Assigned: $6,530,714
- Committed: $9,472,589
- Nonspendable: $10,956,060
Revenue Since Inception - First 5 Fresno County

FY99/00: $21,374,798
FY00/01: $16,485,275
FY01/02: $16,175,722
FY02/03: $16,908,782
FY03/04: $17,000,403
FY04/05: $17,913,455
FY05/06: $16,152,751
FY06/07: $16,170,028
FY07/08: $13,301,450
FY08/09: $12,907,568
FY09/10: $12,106,551
FY10/11: $11,810,999
FY11/12: $11,988,200
FY12/13: $11,020,252
FY13/14: $10,142,348
FY14/15: $8,533,094
FY15/16: $8,420,986
FY16/17: $7,471,906
AGENDA ITEM NO. 6

TO: Children & Families Commission of Fresno County
FROM: Fabiola González, Executive Director
SUBJECT: New Market Tax Credit – Exit Documents & Activities

RECOMMENDED ACTION:

Authorize the Commission Chair to execute the New Market Tax Credit (NMTC) exit documents, and Executive Director to pay all exit expenses, and carryout all related activities to the NMTC exit.

SUMMARY:

In 2013, First 5 Fresno County (“First 5”) entered into a series of transactions to benefit from the New Market Tax Credit (“NMTC”) program which included a seven-year loan period set to expire on December 13, 2020. As of this date, all outstanding loans will be assumed by First 5, which means that First 5 will, in effect, be the lender/holder of the outstanding debt and Lighthouse for Children, Inc (“LFC”), a California nonprofit 501(c)(3) public benefit corporation, which owns title to the Lighthouse for Children building will, in effect, be the borrower.

As you may recall, LFC and First 5 entered into a long-term lease, wherein LFC, as the owner, rents the entire Lighthouse for Children building to First 5, as the master tenant. First 5 entered into various lease arrangements with tenants such as the Fresno County Superintendent of Schools and Simpson Speech & Language, which all use the premises to benefit children ages 0-5. In exchange for being the master tenant, First 5 pays for operational expenses for the building.

As explained in greater detail below, upon completion of this NMTC exit transaction, First 5 has two basic options: (1) it may continue to hold the original notes and, in exchange for forbearance of any payments on the loan by LFC, First 5 would continue to serve as the master tenant and keep any revenues earned by the property (the status quo option); or (2) upon consent by the LFC Board, it may take title to the Lighthouse for Children building. Under option 2, all loans would be extinguished and First 5 would own the Lighthouse for Children building free and clear. First 5, along with the LFC Board, would then have to decide on the purpose and future of the LFC.

As explained in greater detail below, First 5 must authorize the Commission Chair to execute certain documents related to the NMTC exit. They are as follows:

As First 5, in its capacity as sponsoring agency, to authorize the Chair to sign:

1) NMTC Exit Agreement and accept Chase Equity’s exercise of its Put under the Put/Call Agreement;
2) Assignment of Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing; and
3) Fund Interest Purchase Agreement.
As First 5, in its capacity as purchaser and assignee of the Chase NMTC Lighthouse Investment Fund, to authorize the Chair to sign:

1) Investor Member Assignment and Assumption Agreement;
2) Redemption Agreement;
3) Assignment of Membership Interests;
4) Assignment of Redemption Agreement; and
5) Certificate of Cancellation of Chase NMTC Lighthouse Investment Fund, LLC.

Additionally, has certain financial obligations upon the exit of the NMTC, including:

1) The payment of $1,000 of the “Put Price” to acquire Chase Equity’s interest in Chase NMTC Lighthouse Investment Fund, LLC;
2) The purchase of certain assignment and redemption rights, which are nominal expenses; and
3) The payment of various transaction expenses, including the reimbursement of legal, dissolution, accounting and managements fees for the NMTC exit incurred by Chase Equity, LIIF, and Central Valley NMTC.

Staff and legal counsel have not received as of the time of this writing an invoice for the various professional fees but believe the total amount not to exceed $100,000.

BACKGROUND:

The NMTC program is intended to attract private capital into low-income communities by permitting certain large scale investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (“CDEs”). In the case of the Lighthouse for Children building, Chase Community Equity is the investor, and two organizations are the CDEs, Central Valley NMTC and the Low Income Investment Fund (“LIIF”). Under the NMTC program, the NMTC credit totals 39% of the original investment amount and is claimed by the investor over a seven-year period.

As part of this transaction, First 5 acquired the vacant real property, which is now the site of the Lighthouse for Children building, and then transferred title of the real property to LFC as a specifically created non-profit 501(c)(3) public benefit corporation. First 5 created the LFC because, under the NMTC program, a 501(c)(3) public benefit corporation must own title to the property during the seven-year compliance period. NMTC regulations call this non-profit, a “Qualified Active Low-Income Community Business” (“QALICB”).

As a direct product of using the NMTC program, the Commission received approximately $7.5 million towards what ultimately turned out to be nearly an $18 million project (with First 5 contributing nearly $11 million).

The basic structure of the NMTC program is complicated. But, in a nutshell, the CDE’s investment in the QALICB is known as a Qualified Low-Income Community Investment (QLICI). Chase Community Equity, as the investor, created and currently owns a single member limited liability company, ours is called Chase NMTC Lighthouse Investment Fund, LLC, which then takes a membership interest in the CDEs. Chase and First 5 each made an equity contribution to Chase NMTC Lighthouse Investment Fund, LLC. The loan and contribution are then passed to the CDE. The CDE then sends these funds in the form of debt or equity in two streams to the QLICI: a senior loan known as the “A Loan” and a junior, subordinated loan called the “B Loan”. You will see these terms in the attached documents.

As part of the NMTC exit process, this loan structure is disassembled and Chase Equity assigns 100% of its interest in NMTC Lighthouse Investment Fund, LLC to First 5. The CDEs then assign the “A Loan” and
the “B Loan” to NMTC Lighthouse Investment Fund, LLC, which is now owned by First 5. At that point, First 5 owns all of the debt on the building. Within 60 days, First 5 must then terminate the NMTC Lighthouse Investment Fund, LLC. First 5 can, but is not required to, terminate LFC, as the QALICB.

The attached documents accomplish the assignment of the debt instruments to First 5. They are complex. Both general counsel, Baker Manock & Jensen, PC, and First 5’s specialty NMTC counsel, Goldfarb & Lipman have reviewed the documents.

The following is further details as they pertain to the recommended action. The discussion regarding the title transfer will take place at the subsequent Commission Meeting.

**Future of the Lighthouse for Children:**
During the January 2021 meeting, staff will ask the Commission to decide whether or not it will request the LFC Board to deed the Lighthouse for Children building back to First 5 in exchange for forgiving the remaining loans. As mentioned above, if First 5 acquires title to the building, the loans would be extinguished and LFC would have no additional obligations to First 5. On the other hand, if the Commission desires to keep the status quo, LFC could continue to keep title to the Lighthouse for Children building and, as the landlord, lease the premises to First 5, as the master tenant. First 5 could, unless and until it decides otherwise, lease the building without charge in exchange for the forbearance of a lease payment.

It will not be necessary for the Commission to answer this question during this particular meeting. However, there are advantages and disadvantages to each scenario:

- **Cost:** LFC costs not associated with the operation of the building are approximately $18,000 per year for such expenses as the audit, tax returns, insurance, etc.). Because LFC is a tax exempt entity and legal counsel was able to obtain a property tax exemption, LFC pays only $520 per year for property-related assessments. If the Commission chose to transfer title of the Lighthouse for Children to First 5 and dissolve LFC, some of these expenses would survive, such as a portion of the insurance premium and property assessments. Other expenses would gradually expire.

- **Limited Liability Protection:** Keeping LFC gives the Commission some limited liability protection from certain kinds of risks. However, since First 5 serves as the master tenant of the Building and must indemnify LFC for negligence and willful misconduct associated with managing the building, such protection is very modest.

- **LFC as a surviving entity:** In the event that First 5 ever ceases operation, LFC would continue to own and maintain the Lighthouse for Children building. LFC could serve as a legacy entity to help carryout First 5’s mission. On the other hand, if First 5 were ever faced with such a possibility, First 5 could, at some point in the future, create a new nonprofit to own the building.

Staff and legal counsel will be available to answer any questions you might have.

**CONCLUSION:**
Nearing the end of the seventh and final year of the NMTC term with its investors and CDEs, the NMTC exit process requires the Commission to authorize 1) the Chair to execute the New Market Tax Credit (NMTC) exit documents, and 2) the Executive Director to pay all exit expenses, and carryout all related activities to the NMTC exit.
November 10, 2020

Children and Families Commission of Fresno County
550 E Shaw Avenue, Suite 215
Fresno, CA 93710

Re: PUT/CALL OPTION AGREEMENT ("Agreement") made and entered into as of December 13, 2013, by and between (i) CHASE COMMUNITY EQUITY, LLC, a Delaware limited liability company ("Fund Member"), and (ii) CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY, a California public agency formed pursuant to the California Children and Families Act ("Purchaser").

Dear Children and Families Commission of Fresno County:

Reference is hereby made to the above-described Agreement. Capitalized terms used in this letter but not otherwise defined herein shall have the meanings given to such terms in the Agreement. The undersigned Fund Member has determined to exercise its option (the "Put") to sell the Fund Member's entire membership interest in Chase NMTC Lighthouse Investment Fund, LLC, a Delaware limited liability company (the "Interest"), pursuant to Section 2 of the Agreement. This letter shall constitute written notice of the exercise of, and Fund Member does hereby exercise, the Put.

As previously discussed, it is anticipated that on or about December 14, 2020, the Fund Member and the Purchaser shall enter into a Fund Interest Purchase Agreement to which the Fund Member will assign its Interest to the Purchaser, and the Purchaser shall pay an amount equal to $1,000 (the "Put Price") to the Fund Member in consideration for the assignment of the Interest. In addition, the Purchaser shall bear all parties' closing costs in connection with the exercise of the Put and the other transactions anticipated to occur substantially concurrently with the assignment of the Interest.

[The remainder of this page has been intentionally left blank.]
We look forward to working with you to finalize documentation to effectuate the transfer of the Interest to Purchaser and the payment to the Investor Member, and to memorialize certain other agreements among the Investor Member, the Purchaser, and other parties.

Sincerely,

Chase Community Equity, LLC, a Delaware limited liability company

By: __________________________
    Jonathon M. Konow
    Executive Director
NMTC EXIT AGREEMENT

This NMTC Exit Agreement (this “Agreement”) is executed as of December 14, 2020 by and among (i) CHASE COMMUNITY EQUITY, LLC, a Delaware limited liability company (“Chase”), (ii) LIIF SUB-CDE XXIV, LLC, a Delaware limited liability company (“LIIF CDE Lender”), (iii) LIIF NEW MARKETS, LLC, a Delaware limited liability company (“LIIF CDE Manager”), (iv) CENTRAL VALLEY NMTC SUB IV, LLC, a California limited liability company (“CV CDE Lender” and collectively with LIIF CDE Lender, “CDE Lender”), (v) CENTRAL VALLEY NMTC FUND, LLC, a California limited liability company (“CV CDE Manager” and collectively with LIIF CDE Manager, “CDE Manager”), (vi) CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company (“Investment Fund”), (vii) LIGHTHOUSE FOR CHILDREN, INC., a California nonprofit public benefit corporation (the “QALICB”), and (viii) CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY, a California public agency formed pursuant to the California Children and Families Act (“Put Purchaser”).

Recitals

WHEREAS, on or about December 13, 2013, the parties hereto executed loan documents and other agreements evidencing the New Markets Tax Credit (“NMTC”) transaction involving the construction of a childcare center, community-learning center, professional development center, and office space in Fresno, CA, which included, without limitation, (i) that certain QLICI Loan A Note in the original principal amount of $5,410,400 (“LIIF QLICI Note A”) made by the QALICB in favor of LIIF CDE Lender, (ii) that certain QLICI Loan B Note in the original principal amount of $2,349,600 (“LIIF QLICI Note B”, and together with LIIF QLICI Note A, the “LIIF QLICI Notes”) made by the QALICB in favor of LIIF CDE Lender, (iii) that certain QLICI Loan A Note in the original principal amount of $5,545,660 (“CV QLICI Note A”) made by the QALICB in favor of CV CDE Lender, (iv) that certain QLICI Loan B Note in the original principal amount of $2,408,340 (“CV QLICI Note B” and together with CV QLICI Note A, the “CV QLICI Notes;” (i) through (iv) are collectively the “QLICI Notes”) made by the QALICB in favor of CV CDE Lender, (v) that certain Promissory Note in the original principal amount of $10,956,060 (“Leverage Loan Note”) made by Investment Fund in favor of Leverage Lender, and (iv) various collateral security documents executed in connection therewith;

WHEREAS, in accordance with NMTC regulations, the compliance period for the investment made by the CDE Lender to the QALICB ended on or before December 13, 2020;

WHEREAS, the parties desire to terminate the NMTC transactions and re-align their interests in accordance with documents executed on or about the date hereof;
Agreement

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Chase will transfer 100% of its membership interest in the Investment Fund to Put Purchaser pursuant to that certain Fund Interest Purchase Agreement dated on or about the date hereof (the “Purchase”).

2. Following the Purchase, CDE Lender will assign the QLICI Notes and certain other documents evidencing, governing or securing the loans made pursuant to the QLICI Notes (collectively, the “QLICI Loan Documents”) to the Investment Fund. The assignment of the QLICI Notes and the QLICI Loan Documents shall be in consideration for the redemption of the Investment Fund’s 99.99% member interest in the CDE Lender (“Redemption”).

3. The Redemption will be evidenced by such documents reasonably requested by the parties, including without limitation, one or more Assignment and Redemption Agreements, an Allonge to LIIF QLICI Note A, an Allonge to LIIF QLICI Note B, an Allonge to CV QLICI Note A, and an Allonge to CV QLICI Note B. Leverage Lender hereby acknowledges and consents to the Redemption.

4. The QALICB hereby agrees to deliver to the CDE Manager, within fifteen (15) days of the request, any information and documentation requested by the CDFI Fund for NMTC reporting purposes, provided such request is made within two years from the date hereof. CDE Manager will forward copies of all such deliveries to Chase upon receipt.

5. CDE Manager agrees to deliver the 2020 financial statements and tax returns for the CDE Lender directly to Chase (in lieu of the Investment Fund) in accordance with the reporting requirements set forth in (a) the Second Amended and Restated Operating Agreement of LIIF CDE Lender dated December 13, 2013 between the LIIF CDE Manager and the Investment Fund and (b) the Second Amended and Restated Operating Agreement of CV CDE Lender dated December 13, 2013 between the CV CDE Manager and the Investment Fund. The parties hereto agree that the obligations to deliver reports as set forth in this paragraph shall be at the sole cost and expense of the CDE Manager and shall survive the consummation of the transactions described in this Agreement.

6. Chase and CDE Lender each have incurred certain attorney fees and accounting and tax costs in connection with the transactions contemplated by this Agreement ("Exit
7. After the date of this Agreement, Put Purchaser will file a certificate of cancellation for the Investment Fund with the Secretary of State of Delaware dissolving the Investment Fund, with the costs of such dissolution being paid by Put Purchaser. The Put Purchaser shall forward evidence of such dissolution to Chase within sixty (60) days of this Agreement. The costs of dissolution and cancellation of the Investment Fund shall be paid by Put Purchaser.

8. Each party hereto acknowledges that, notwithstanding the consummation of the transactions described in this Agreement, including the Purchase, the Redemption, and the assignment of the QLICI Notes, the indemnity obligations set forth in the Transaction Documents shall survive or terminate in accordance with the applicable Transaction Document. For purposes of this Agreement, "Transaction Documents" shall mean all documents executed in connection with the transactions described in the QLICI Loan Documents, including (i) that certain Indemnification Agreement (QALICB) dated December 13, 2013 by QALICB and Put Purchaser in favor of JPMorgan Chase Bank, N.A., a national banking association ("JPMC"), (ii) that certain Indemnification Agreement (LIIF CDE) dated December 13, 2013 by LIIF CDE Lender, LIIF CDE Manager, and Low Income Investment Fund, a California nonprofit public benefit corporation ("LIIF"), in favor of JPMC, and (iii) that certain Indemnification Agreement (CDE) dated December 13, 2013 by CV CDE Lender, CV CDE Manager, and Central Valley NMTC Fund, LLC, a California limited liability company ("CV"), in favor of JPMC.

9. The parties hereto agree to execute all documents necessary to evidence the foregoing agreements of the parties, and consent to all actions necessary to effectuate such agreements.

10. This Agreement shall be governed by the laws of the State of Delaware.

11. This Agreement may be executed in multiple counterparts, each of which shall constitute an original.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, this NMTC Exit Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

QALICB:

LIGHOUSE FOR CHILDREN, INC., a California nonprofit public benefit corporation

By: __________________________
Name: Brian Pacheco
Title: Board Chair

PUT PURCHASER:

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY, a California public agency formed pursuant to the California Children and Families Act

By: __________________________
Name: Brian Pacheco
Title: Commission Chair

[Signatures continued on following page]
IN WITNESS WHEREOF, this NMTC Exit Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

LIIF CDE LENDER: LIIF SUB-CDE XXIV, LLC, a Delaware limited liability company

By: LIIF New Markets, LLC, a Delaware limited liability company, its managing member

By: Low Income Investment Fund, a California nonprofit public benefit corporation, its manager

By: ____________________
Name: [__________]
Title: [__________]

LIIF CDE MANAGER: LIIF NEW MARKETS, LLC, a Delaware limited liability company

By: Low Income Investment Fund, a California nonprofit public benefit corporation, its manager

By: ____________________
Name: [__________]
Title: [__________]

[Signatures continued on following page]
IN WITNESS WHEREOF, this NMTC Exit Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

CV CDE LENDER: CENTRAL VALLEY NMTC SUB IV, LLC,
a California limited liability company

By: Central Valley NMTC Fund, LLC,
a California limited liability company, its managing member

By: [___________], [Manager]

CV CDE MANAGER: CENTRAL VALLEY NMTC FUND, LLC,
a California limited liability company

By: [___________], [Manager]

[Signatures continued on following page]
IN WITNESS WHEREOF, this NMTC Exit Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

INVESTMENT FUND:  
CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company

By:  
Chase Community Equity, LLC,  
a Delaware limited liability company,  
its Manager

By:  
Jonathon M. Konow  
Executive Director

[Signatures continued on following page]
IN WITNESS WHEREOF, this NMTC Exit Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

CHASE:  

CHASE COMMUNITY EQUITY, LLC,  
a Delaware limited liability company

By:  

______________________________  
Jonathon M. Konow  
Executive Director

Signature Page  
NMTC Exit Agreement
FUND INTEREST PURCHASE AGREEMENT

This Fund Interest Purchase Agreement (this “Agreement”), dated as of December 14, 2020, is made and entered into by and among (i) CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY, a California public agency formed pursuant to the California Children and Families Act (“Purchaser”) (ii) CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company (the “Investment Fund”), and (iii) CHASE COMMUNITY EQUITY, LLC, a Delaware limited liability company (“Investor”).

Recitals

WHEREAS, the Investment Fund is governed by that certain Operating Agreement dated as of December 13, 2013 (the “Fund Agreement”) entered into by Investor as the sole member;

WHEREAS, Investor holds a 100% membership interest in the Investment Fund and has certain rights to receive distributions and allocations and has certain obligations pursuant to the terms of the Fund Agreement (collectively, “Investor’s Interest”);

WHEREAS, pursuant to that certain Put/Call Option Agreement dated as of December 13, 2013 between Purchaser and Investor (the “Put/Call Agreement”), Investor has agreed to sell Investor’s Interest to Purchaser; and

WHEREAS, the Investment Fund, Investor and Purchaser agree and consent to Purchaser purchasing Investor’s Interest on the terms and subject to the conditions set forth in this Agreement.

Agreement

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

1. PURCHASE AND SALE: CLOSING

1.1 Purchase. Investor hereby agrees to transfer to Purchaser, and Purchaser hereby agrees to purchase from Investor, Investor’s Interest at the Closing (as hereinafter defined) on the terms and subject to the conditions set forth in this Agreement.

1.2 Purchase Price. The purchase price for Investor’s Interest (the “Investor Interest Purchase Price”) is $1,000.

1.3 Payment of Purchase Price. On the Closing Date (defined below), Purchaser shall deliver to Investor the Investor Interest Purchase Price by wire transfer of immediately available funds for the benefit of Investor.

1.4 Closing. The closing of the transactions contemplated by this Agreement (the “Closing”) shall take place on December 14, 2020 (the “Closing Date”). The parties hereto shall not be required to attend the Closing in person.
1.5 Waiver of Procedural Requirements. Purchaser acknowledges receipt of the “Election Notice” from Investor pursuant to that certain Put/Call Agreement. Purchaser, Investor, and the Investment Fund each hereby waives any and all other procedural requirements in connection with the transfer of the Investor’s Interest that may be set forth in the Put/Call Agreement and/or Fund Agreement.

1.6 Investor’s Deliveries. Investor shall deliver to Purchaser that certain Investor Member Assignment and Assumption Agreement dated on or about the date hereof (the “Investor Interest Assignment”), duly executed by or on behalf of Investor, and any other documentation reasonably required to facilitate Purchaser’s assumption of Investor’s Interest.

1.7 Purchaser’s Deliveries.

At the Closing, Purchaser shall deliver to Investor:

(i) the Investor Interest Purchase Price for Investor’s Interest by wire transfer of immediately available funds; and

(ii) the Investor Interest Assignment, duly executed by or on behalf of Purchaser.

1.8 Transfer Taxes and Closing Costs. All (i) sales, value added, use, state or local transfer and gains taxes, registration, stamp and similar taxes, if any, imposed in connection with the transactions contemplated by this Agreement, shall be borne exclusively by Purchaser, and (ii) closing costs, including attorney’s fees, shall be paid as set forth in that certain Exit Transfers Memorandum dated of even date herewith by and among Purchaser, Investor, and certain other parties (the “Flow of Funds”).

2. REPRESENTATIONS AND WARRANTIES OF INVESTOR

Investor hereby represents and warrants to Purchaser as follows:

2.1 Authority. Investor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power, capacity and authority to enter into and perform its obligations under this Agreement. The execution and delivery by Investor of this Agreement, and the performance by Investor of its obligations hereunder have been duly and validly authorized by all necessary actions on the part of Investor. The individual signing this Agreement and all other documents executed pursuant hereto on behalf of Investor is duly authorized to sign the same on behalf of Investor and to bind Investor.

2.2 Ownership. Investor is the sole legal and beneficial owner of, and has good title to the Investor’s Interest, and has not sold, transferred or encumbered all or any portion of the Investor’s Interest, and has the full and sufficient right at law and in equity to assign and transfer the Investor’s Interest to Purchaser in accordance with the provisions of this Agreement, free and clear of any and all liens, encumbrances, right, title, interest or claim therein of any other person. There are no outstanding options or rights to acquire all or any portion of the Interest other than as set forth in the Put/Call Agreement. At the Closing, upon consummation of the transactions contemplated hereby, Purchaser will acquire the entire legal and beneficial interest in Investor’s Interest, free and clear of any and all liens, encumbrances, right, title, interest, or claim therein of any other person.

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2.3 **Binding Agreement.** This Agreement and the provisions hereof are legal, valid and binding against Investor in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency and other similar laws, by any equitable principles affecting creditors' rights generally, and by the discretion of the courts in granting equitable remedies, regardless of whether such enforceability is considered in a proceeding at law or in equity and regardless of whether such limitations are derived from constitutions, statutes, judicial decisions or otherwise.

2.4 **No Breach.** To Investor's knowledge, the execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement of Investor or any instrument to which Investor is a party or by which Investor or any of its property is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

2.5 **Bankruptcy.** The Investment Fund, (i) is not in receivership or dissolution, (ii) has not made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, and (iii) has not been adjudicated bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and, to the knowledge of the Investment Fund, no such petition has been filed against the Investment Fund or any of its members. To the Investment Fund's knowledge, none of the foregoing are pending or threatened in writing.

2.6 **Tax Matters.** The Investment Fund has timely filed all income tax returns required to have been filed by it and has paid all taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by it, including the Delaware franchise tax. The Investment Fund is not aware of any basis for any additional assessment in respect of any such taxes and related liabilities for prior years.

3. **REPRESENTATIONS AND WARRANTIES OF PURCHASER**

Purchaser hereby represents and warrants to Investor as follows:

3.1 **Authority.** Purchaser is a public agency duly organized pursuant to the California Children and Families Act, validly existing and in good standing under the laws of the State of California, and has full power, capacity and authority to enter into and perform its obligations under this Agreement. The execution and delivery by Purchaser of this Agreement, and the performance by Purchaser of its obligations hereunder have been duly and validly authorized by all necessary actions on the part of Purchaser. Purchaser has the power and authority to acquire Investor's Interest from Investor and all required actions and approvals therefor have been duly taken and obtained. The individual signing this Agreement and all other documents executed pursuant hereto on behalf of Purchaser is duly authorized to sign same on behalf of Purchaser and to bind Purchaser.

3.2 **No Breach.** The execution and delivery of this Agreement, the consummation of the transactions provided for herein and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, any agreement of Purchaser or any instrument to which Purchaser is a party or by which Purchaser or any of its
property is bound, or any judgment, decree or order of any court or governmental body, or any applicable law, rule or regulation.

3.3 **Binding Agreement.** This Agreement and the provisions hereof are legal, valid and binding against Purchaser in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency and other similar laws, by any equitable principles affecting creditors' rights generally, and by the discretion of the courts in granting equitable remedies, regardless of whether such enforceability is considered in a proceeding at law or in equity and regardless of whether such limitations are derived from constitutions, statutes, judicial decisions or otherwise.

3.4 **No Registration of Investor's Interest.** Purchaser acknowledges that Investor's Interest has not been registered under applicable state and federal securities laws, and that it is acquiring Investor's Interest based solely on its independent confirmation that such registrations are not required, and not on any representation or warranty of Investor (all of which are hereby disclaimed by Investor).

3.5 **PURCHASER ACKNOWLEDGES AND AGREES THAT THE PURCHASE AND SALE OF INVESTOR'S INTEREST PURSUANT HERETO IS ON AN "AS IS", "WHERE IS" BASIS, WITH ALL FAULTS AND, EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, WITHOUT REPRESENTATIONS, EXPRESS OR IMPLIED, OF ANY TYPE, KIND, CHARACTER, OR NATURE, AND WITHOUT RECOURSE, EXPRESS OR IMPLIED, OF ANY KIND, TYPE, CHARACTER OR NATURE. PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT FOR THE LIMITED REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN, INVESTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED (INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE), ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO INVESTOR'S INTEREST OR FUTURE PERFORMANCE OF THE INVESTMENT FUND.**

3.6 Purchaser is knowledgeable about the Investment Fund, and no formal written descriptive offering materials regarding the Investment Fund, Investor's Interest have been given to or requested by it for purposes hereof. Purchaser has such knowledge and experience in financial and business matters so as to be capable of evaluating and understanding, and has evaluated and understands, the merits and risks of acquiring Investor's Interest, and it has been given the opportunity to (i) obtain information and examine all documents relating to the Investment Fund and its business, and (ii) ask questions of and receive answers concerning the Investment Fund, its business, and the terms and conditions of its acquisition of Investor's Interest. All such questions have been answered to its satisfaction, and all information and documents, books and records pertaining to the Investment Fund and its business that it has requested have been made available to it.

3.7 **In entering into this Agreement, Purchaser is relying solely on the results of its own independent investigation and the advice of its own advisors and counsel with respect to purchase of Investor's Interest. Other than the representations, warranties and covenants of**
Investor contained in this Agreement, it has neither received nor relied on any legal, investment, or tax advice from Investor, or its officers, agents, or other representatives relating to Investor’s Interest or to the likelihood of successful operations or anticipated financial results of the Investment Fund. It has had an opportunity to read, understand and negotiate the provisions of this Agreement, and other documents related to Investor’s Interest, the Investment Fund and its businesses, and to consider and consult with its advisors and counsel regarding the operation and consequences of such provisions.

4. COVENANTS AND OTHER AGREEMENTS

4.1 Indemnification.

(a) Except to the extent otherwise specifically provided in this Agreement (including Section 4.2), Purchaser and the Investment Fund shall indemnify, defend, and hold Investor and its respective trustees, beneficiaries, affiliates, subsidiaries, members, managers, officers, directors, shareholders, partners, employees and agents, and their respective successors, executors, administrators and personal representatives (those related to Investor, being collectively “Investor Indemnitees”) harmless from and against any loss, liability, damage, cost and expense (including without limitation reasonable attorneys’ fees, court costs and litigation expenses) sustained or incurred by Investor Indemnitees or any one or more of such other parties, arising from or with respect to the operations, activities, business and affairs of the Investment Fund and occurring after execution of this Agreement.

(b) Purchaser agrees to defend, indemnify and hold Investor Indemnitees harmless from and against any and all loss, liability, damage, cost and expense (including reasonable attorneys’ fees, court costs, and litigation expenses, all through any level of appeal) arising in connection with any claim by any person or entity that any necessary consent was not obtained by Purchaser, and/or that Purchaser’s acquisition of Investor’s Interest from Investor caused any damage, loss, cost or expense to any said person or entity.

4.2 Release of Investor Indemnitees. Purchaser and the Investment Fund each hereby unconditionally and irrevocably releases Investor Indemnitees from any and all claims or rights which such party may have against Investor Indemnitees arising under or in any manner related to the Investment Fund, the Fund Agreement, or the operation, activities, business and affairs of the Investment Fund, including but not limited to any obligations to contribute capital, the reimbursement of expenses and any other such obligations of any kind or nature whatsoever. Except as set forth in that certain NMTC Exit Agreement dated on or about the date hereof among Investor, Purchaser and certain other parties and in Section 4.1 above, from and after the Closing, Investor hereby releases any claims it may have against the Investment Fund, and Purchaser in connection with its ownership of the Investment Fund or the transfer of Investor’s Interest.

5. CLOSING CONDITIONS

5.1 Conditions to Obligations of Investor. The obligations of Investor under this Agreement with respect to the Closing are subject to the satisfaction at or prior to the Closing of the following conditions:
(a) **Representations and Warranties.** The representations and warranties of Purchaser contained in Section 4, above, are true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date.

(b) **Performance.** Purchaser has performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on the Closing.

5.2 **Conditions to Obligations of Purchaser.** The obligations of Purchaser under this Agreement with respect to the Closing are subject to the satisfaction at or prior to the Closing of the following conditions:

(a) **Representations and Warranties.** The representations and warranties of Investor contained in Sections 2 above are true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date.

(b) **Performance.** Investor has performed and complied in all material respects with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on the Closing.

5.3 **Flow of Funds Condition.** The parties agree that the transactions described in this Agreement will be void if funds are not distributed and received in accordance with the Flow of Funds.

6. **CONSENTS**

6.1 Investor and the Investment Fund each hereby (i) consents to the withdrawal of Investor from the Investment Fund, (ii) consents to the acquisition of Investor’s Interest by Purchaser, and (iii) waives any and all other requirements that may be set forth in the Fund Agreement to the transactions described above, or otherwise.

6.2 Purchaser (in its capacity as Purchaser and as lender to the Investment Fund) hereby consents to (i) the redemption of the Investment Fund’s 99.99% membership interest in LIIF Sub-CDE XXIV, LLC, a Delaware limited liability company ("LIIF CDE Lender"), pursuant to that certain Assignment and Redemption Agreement dated as of the date hereof by and among the Investment Fund, CDE Lender and LIIF New Markets, LLC, a Delaware limited liability company ("LIIF CDE Manager"), and (ii) the redemption of the Investment Fund’s 99.99% membership interest in Central Valley NMTC Sub IV, LLC, a California limited liability company ("CV CDE Lender"), pursuant to that certain Assignment and Redemption Agreement dated as of the date hereof by and among the Investment Fund, CDE Lender and Central Valley NMTC Fund, LLC, a California limited liability company ("CV CDE Manager").

7. **MISCELLANEOUS**

7.1 **Waiver.** Any term or condition of this Agreement may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the party waiving such term or condition. No waiver by any party of any term or condition of this Agreement, in any one or
more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by law or otherwise afforded, will be cumulative and not alternative.

7.2 Amendment. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by or on behalf of each party hereto.

7.3 Binding Effect. This Agreement is binding upon, inures to the benefit of and is enforceable by the parties hereto and their respective successors and assigns.

7.4 Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

7.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware.

7.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.7 Limitation of Damages. TO THE EXTENT PERMITTED BY APPLICABLE LAW, NO PARTY HERETO SHALL ASSERT, AND EACH PARTY HERETO HEREBY WAIVES, ANY CLAIM AGAINST THE OTHER PARTIES, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS AGREEMENT OR THE OTHER DOCUMENTS AND TRANSACTIONS CONTEMPLATED HEREBY.

7.8 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

7.9 Third Party Beneficiaries. Nothing in this Agreement, express or implied, shall be deemed to create in any party other than the parties signatory hereto and successors and assigns permitted hereby, any right, remedy, or claim under or by reason of this Agreement.

7.10 Severability of Provisions. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement or the application thereof to any party or circumstance shall, to any extent and for any reason, be held in any proceeding to be invalid, illegal, or unenforceable, then such
provision, or the application thereof to any party or circumstance, shall be ineffective to the extent, but only to the extent, of such invalidity, illegality, or unenforceability without invalidating the remainder of such invalid, illegal, or unenforceable provision or any other provisions of this Agreement or the application of such provision to parties or circumstances other than those to which it was held to be invalid, illegal, or unenforceable, but only if and to the extent such construction would not materially and adversely frustrate the parties’ essential objectives as expressed herein.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

INVESTMENT FUND:

CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company

By Chase Community Equity, LLC,
    a Delaware limited liability company,
    its sole member

By: Jonathon M. Konow,
    Executive Director
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

PURCHASER:

CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY, a California public agency formed pursuant to the California Children and Families Act

By: ____________________
Name: Brian Pacheco
Title: Commission Chair
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

INVESTOR:

CHASE COMMUNITY EQUITY, LLC,
a Delaware limited liability company

By: ________________________________
Jonathon M. Konow,
Executive Director
INVESTOR MEMBER ASSIGNMENT AND ASSUMPTION AGREEMENT

On this December 13, 2020 (the "Effective Date"), for good and valuable consideration CHASE COMMUNITY EQUITY, LLC, a Delaware limited liability company ("Assignor"), as the holder of the sole member interest (the "Interest") in CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company (the "Investment Fund"), under that certain Amended and Restated Operating Agreement of the Investment Fund dated as of December 13, 2013 (the "Investment Fund Agreement"), to which Assignor as sole member is a party, hereby assigns, transfers and conveys to CHILDREN AND FAMILIES COMMISSION OF FRESNO COUNTY, a California public agency formed pursuant to the California Children and Families Act ("Assignee"), without recourse and without representation or warranty of any kind, express or implied by law or in fact except as otherwise set forth in that certain Fund Interest Purchase Agreement dated of even date herewith by and among Assignor, Investment Fund and Assignee, all of Assignor's rights, title, and interest in and to the Interest, and states its intention that Assignee become a substituted member in the Investment Fund in Assignor's place.

As of the Effective Date, Assignee hereby assumes all of the obligations of Assignor as member under the Investment Fund Agreement relating to the Interest, Assignee hereby accepts all of the terms and provisions of the Investment Fund Agreement, and Assignee agrees to become a substituted member in the Investment Fund in Assignor's place. Without limiting the generality of the foregoing, the Assignor and the Assignee agree that for purposes of the Investment Fund Agreement the Assignee shall be the holder of the Interest on and as of the Effective Date.

This Assignment and Assumption Agreement may be executed by the parties in counterparts, all of which shall be considered one and the same agreement, and shall be binding when one or more counterparts have been signed by each of the parties and delivered to each of Assignor and Assignee. Any signature delivered by a party by facsimile or portable document format (.pdf) transmission shall be deemed to be an original signature hereto.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, this Fund Member Assignment and Assumption Agreement has been duly executed and delivered by the duly authorized person of each party hereto as of the date first above written.

ASSIGNOR: CHASE COMMUNITY EQUITY, LLC,
a Delaware limited liability company,

By: __________________________
    Jonathon M. Konow
    Executive Director

ASSIGNEE: CHILDREN AND FAMILIES COMMISSION OF
FRESNO COUNTY, a California public agency
formed pursuant to the California Children and
Families Act

By: __________________________
    Name: Brian Pacheco
    Title: Commission Chair
ASSIGNMENT AND REDEMPTION AGREEMENT (LIIF Sub-CDE XXIV)

THIS ASSIGNMENT AND REDEMPTION AGREEMENT (the “Agreement”) is made and entered into as of December 14, 2020, by and among LIIF Sub-CDE XXIV, LLC, a Delaware limited liability company (the “Company”), LIIF NEW MARKETS, LLC, a Delaware limited liability company (“Managing Member”), and CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company (“Investor Member”).

RECITALS

A. Managing Member and Investor Member entered into that certain Second Amended and Restated Operating Agreement of the Company, effective as of December 13, 2013 (the “Operating Agreement”). Capitalized terms not defined herein shall have the meanings assigned to them in the Operating Agreement.

B. Investor Member owns a 99.99% membership interest (the “Interest”) in the Company. Managing Member owns a 0.01% membership interest in the Company and is the managing member of the Company.

C. Children and Families Commission of Fresno County, a California public agency formed pursuant to the California Children and Families Act (“Put Purchaser”) owns a 100% membership interest in Investor Member (“Interest”) after acquiring such Investor Interest from CHASE COMMUNITY EQUITY, LLC, a Delaware limited liability company (“Chase”), pursuant to the terms of that certain Membership Interest Purchase Agreement (the "MIPA") of even date herewith by and among Put Purchaser, Chase and Investor Member.

D. Assignor made loans to Lighthouse for Children, Inc., a California nonprofit public benefit corporation (“QALICB”) in the original principal amount of $8,536,000 (the “QLICI Loan”) which QLICI Loan is (i) evidenced by (a) that certain QLICI Loan A Note in the original principal amount of $5,410,400 ("LIIF QLICI Note A") made by the QALICB in favor of the Company and (b) that certain QLICI Loan B Note in the original principal amount of $2,349,600 ("LIIF QLICI Note B"), and together with LIIF QLICI Note A, the “QLICI Notes”) made by the QALICB in favor of the Company, and (ii) governed by that certain Loan Agreement dated December 13, 2013 (the “Loan Agreement”; the Loan Agreement, the QLICI Notes, and all other documents securing, evidencing or governing the QLICI Loan, as the same shall be amended, restated, replaced, supplemented, or otherwise modified from time to time, are collectively referred to herein as, the “QLICI Loan Documents”).

E. The Company desires (i) to redeem Investor Member’s Interest in the Company and (ii) for Investor Member to withdraw from the Company as a member. In connection with redeeming the Interest, the Company shall assign the Company’s rights to the QLICI Loan, together with the loan documents evidencing, governing and securing the QLICI Loans to Investor Member, and the Investor Member shall assign over to the Company all of its right, title and interest in and to the Interest.

F. By its execution hereof, the Managing Member hereby evidences (i) its consent
to the redemption of the Interest by the Company, (ii) its consent to the withdrawal of Investor Member as a member of the Company, and (iii) its consent to the transactions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The recitals stated above are incorporated herein as if restated in their entirety.

2. Redemption of Interest. The Company hereby purchases and redeems Investor Member’s Interest in consideration for assignment by the Company to the Investor Member of all of its right, title and interest in the loan documents described on Exhibit B attached hereto and made a part hereof (the “Assignment of Loan Documents”) [Will there also be a Redemption Payment per Exhibit A or will the final distribution to the Investor Member happen before the redemption?]. On the date hereof, the documents described on Exhibit C attached hereto and made a part hereof shall be executed to memorialize the Assignment of Loan Documents.

3. Transfer of Interest and Withdrawal. As of the date of this Agreement, in order to effectuate the Assignment of Loan Documents, the Company hereby assigns, transfers and sets over to Investor Member all of Company’s right, title and interest in and to the QLICI Loan and the QLICI Loan Documents and Investor Member hereby accepts such assignment of the QLICI Loan and the QLICI Loan Documents and shall assume and agree to be bound by and to perform, keep and observe all of the obligations, duties, liabilities, covenants and agreements under and pursuant to the QLICI Loan Documents, to the same extent as if Investor Member had been an original party to said instruments and in connection with such assignment the Company shall also execute the documents described on Exhibit C attached hereto. The Assignment of Loan Documents is without recourse and without any representation or warranty, either express or implied in fact or by law, other than the representations set forth in Section 6 hereof. Upon the Assignment of Loan Documents, Investor Member hereby assigns and transfers all of its right, title and interest in and to its Interest in the Company and withdraws as a member of the Company.

4. Waiver and Consent. The Managing Member and Investor Member hereby (a) waive all conditions, restrictions, provisions, procedures and notice requirements of the Operating Agreement relating to the redemption of the Investor Member’s Interest in the Company and/or the assignment of the Investor Member’s Interest to the Company as set forth in Section 3 hereof, and (b) consent to the (i) redemption of the Investor Member’s Interest, (ii) withdrawal of Investor Member as an investor member of the Company, (iii) [payment of the amounts set forth in Exhibit A,] and (iv) effectuation of the Assignment of Loan Documents.

5. Representations and Warranties of Investor Member. Investor Member hereby represents and warrants as follows:
(a) **Organization.** Investor Member is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) **Authority.** Investor Member and any individual executing this Agreement on the Company’s behalf, have the power to execute, deliver and perform this Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the Investor Member’s operating agreement, certificate of formation, or any provision of any agreement, instrument, order, judgment or decree to which the Investor Member is a party or by which it or any of its assets is bound.

(c) **Title.** Investor Member is the lawful owner and holder of the Interest, free and clear of all liens, encumbrances and claims by third parties except the Put Purchaser pursuant to that certain Pledge Agreement dated December 13, 2013 by and between the Investor Member and Put Purchaser (the “**Pledge Agreement**”), pursuant to which Investor Member assigned the Interest to the Put Purchaser to secure Investor Member’s obligations pursuant to that certain Fund Loan Agreement dated as of December 13, 2013 between Investor Member, as borrower, and Put Purchaser, as leverage lender, and, except for the Pledge Agreement, the Investor Member has not conveyed, transferred, or assigned (or agreed to convey, transfer, or assign) its rights or interests in the Interest, and has not executed any other instrument which might prevent or limit the Investor Member from performing under the terms and provisions of this Agreement.

6. **Representations and Warranties of the Company.** The Company hereby represents and warrants as follows:

(a) **Organization.** The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) **Authority.** The Company and any individual executing this Agreement on the Company’s behalf, have the power to execute, deliver and perform this Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the Company’s operating agreement, certificate of formation, or any provision of any agreement, instrument, order, judgment or decree to which the Company is a party or by which it or any of its assets is bound.

(c) **Ownership of Assets.** The [cash described on Exhibit A together with] the loans evidenced by the loan documents described on Exhibit B constitute all of the assets of the Company (the “**Assets**”) prior to the transactions contemplated in the MIPA. To the best of Managing Member’s knowledge, the Company is the lawful owner and holder of the Assets, free and clear of all liens, encumbrances and claims by third parties, and, except for the assignment herein, the Company has not
conveyed, transferred, or assigned (or agreed to convey, transfer, or assign) its rights or interests in the Assets, and has not executed any other instrument which might prevent or limit the Managing Member or Company from performing under the terms and provisions of this Agreement.

(d) **Bankruptcy.** Neither the Company nor the Managing Member, (i) is in receivership or dissolution, (ii) has made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, (iii) has been adjudicated bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against the Company or the Managing Member, and (iv) to the best of its knowledge, none of the foregoing are pending or threatened in writing.

7. **Representations and Warranties of the Managing Member.** The Managing Member hereby represents and warrants as follows:

(a) **Organization.** The Managing Member is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware.

(b) **Authority.** The Managing Member and any individual executing this Agreement on the Managing Member’s behalf, have the power to execute, deliver and perform this Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the Managing Member’s operating agreement, certificate of formation, or any provision of any agreement, instrument, order, judgment or decree to which the Managing Member is a party or by which it or any of its assets is bound.

(c) **Litigation.** There are no actions, suits, claims or other proceedings pending or, to the best of the Managing Member’s knowledge, contemplated or threatened against the Company or the Managing Member that could affect the Managing Member’s ability to perform its obligations under this Agreement in a timely manner or which would have a material adverse effect on the Company.

(d) **Liabilities.** The Company has no current or reasonably foreseeable liabilities other than the consummation of the Assignment of Loan Documents and the payment of the Tax and Compliance Expenses (as hereinafter defined), and the distribution to the Managing Member set forth in this Agreement.

8. **Expenses and Reporting Obligations.** Investor Member and the Managing Member hereby acknowledge and agree that (a) all fees and expenses incurred by the Investor Member in connection with the redemption of the Interest, including, but not limited to, the expenses related to the negotiation of this Agreement, shall be borne by Borrower, as borrower of the QLICI Loans (the “Investor Member Transaction Expenses”) and (b) all
fees and expenses incurred by the Managing Member and the Company in connection with the redemption of the Interest, including, but not limited to, the expenses related to the drafting and negotiation of this Agreement, shall also be borne by Borrower (the “Company Transaction Expenses”). On the date hereof, the Company shall pay an amount equal to $_________ to the Managing Member for accrued and unpaid Annual Management Fees and an amount equal to $_________ to cover 2020 audit and tax expenses of the Company, $1,600 for dissolution fees and the Company shall transfer to the Managing Member an amount equal to $_________ to be held as a reserve (the “Final Expense Reserve”) for future fees and expenses of the Company. The Managing Member shall be responsible for paying the following amounts from the Final Expense Reserve: (i) expenses for the preparation of a tax return of the Company for the 2020 tax year and supplying each former and current member of the Company with tax reporting information it requires in order to complete its tax return for the 2020 tax year, (ii) certain taxes due to the State of California and the State of New York, if any, and (iii) the costs of complying with any and all reporting and disclosure requirements imposed on the Company by the CDFI Fund and any costs in connection with the planned dissolution of the Company (collectively, the “Tax and Compliance Expenses”).

9. Termination of Company Obligations. The Managing Member and Investor Member hereby agree that from and after the date on which the Interest is redeemed, Investor Member shall have no further liabilities or obligations to the Company or any member thereof (including the Managing Member) under the Operating Agreement and the Managing Member and the Company shall have no further obligations to Investor Member pursuant to the Operating Agreement except as set forth in that certain NMT Exit Agreement, of even date herewith, by and among Chase, the Company, the Managing Member, Central Valley NMTC Sub IV, LLC, Central Valley NMTC Fund, LLC, the Investor Member, the QALICB and the Put Purchaser.

10. Miscellaneous.

(a) Further Actions. Each party agrees that it shall execute and deliver or cause to be executed and delivered from time to time such instruments, documents, agreements, consents and assurances and take such other action as the Company reasonably may require to more effectively assign and transfer to and vest in (i) the Company, all right, title and interest in and to the Interest redeemed hereunder and (ii) Investor Member, all right, title and interest in and to the portion of the Assets to be assigned to Investor Member hereunder.

(b) Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements among the parties with respect to these matters.

(c) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the conflicts of law principles thereof.

(d) Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED UNDER APPLICABLE LAW, EACH OF INVESTOR MEMBER, THE MANAGING MEMBER AND THE COMPANY (A) COVENANTS AND AGREES NOT TO
ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE PARTIES THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

(e) **Damages.** No party to this Agreement shall be liable to the other party hereto for any consequential, special or punitive damages for any claims arising under this Agreement.

(f) **Interpretation.** The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) **Counterparts.** This Agreement may be executed in several counterparts, including electronic counterparts (such as facsimile or .pdf), each of which shall be deemed to be an original, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties shall not have signed the same counterpart.

[Signatures appear on the following pages]
ALLONGE TO QLICI LOAN A NOTE

(LIIF CDE)

This Allonge to QLICI Loan A Note (LIIF CDE) is to be affixed to and made a part of that certain QLICI Loan A Note (LIIF CDE) dated December 13, 2013 in the stated principal amount of $5,410,400.00 (the “Note”) executed by Lighthouse for Children, Inc., a California nonprofit public benefit corporation, and made to the order of LIIF Sub-CDE XXIV, LLC, a Delaware limited liability company (“Assignor”).

Assignor hereby represents and warrants to Assignee (as defined below), and its successors and assigns, that Assignor has not previously endorsed, negotiated, sold, assigned, conveyed, encumbered or otherwise transferred any interest in the Note, which continues in effect.

Pay to the order of Chase NMTC Lighthouse Investment Fund, LLC, a Delaware limited liability company (“Assignee”), without recourse, warranty or representation of any kind, except as provided herein.

Dated as of December 14, 2020.

[Signature Page Follows]
IN WITNESS WHEREOF, Assignor has executed this Allonge to Promissory Note as an instrument under seal as of the date first written above.

LIIF SUB-CDE XXIV, LLC,
a Delaware limited liability company

By: LIIF New Markets, LLC, a Delaware limited liability company,
its managing member

By: Low Income Investment Fund,
a California nonprofit public benefit corporation, its manager

By: ____________________________
Amy Laughlin
Vice President, Structured Products and Capital Markets
ALLONGE TO QLICI LOAN B NOTE

(LIIF CDE)

This Allonge to QLICI Loan B Note (LIIF CDE) is to be affixed to and made a part of that certain QLICI Loan B Note (LIIF CDE) dated December 13, 2013 in the stated principal amount of $2,349,600.00 (the “Note”) executed by Lighthouse for Children, Inc., a California nonprofit public benefit corporation, and made to the order of LIIF Sub-CDE XXIV, LLC, a Delaware limited liability company (“Assignor”).

Assignor hereby represents and warrants to Assignee (as defined below), and its successors and assigns, that Assignor has not previously endorsed, negotiated, sold, assigned, conveyed, encumbered or otherwise transferred any interest in the Note, which continues in effect.

Pay to the order of Chase NMTC Lighthouse Investment Fund, LLC, a Delaware limited liability company (“Assignee”), without recourse, warranty or representation of any kind, except as provided herein.

Dated as of December 14, 2020.

[Signature Page Follows]
IN WITNESS WHEREOF, Assignor has executed this Allonge to Promissory Note as an instrument under seal as of the date first written above.

**LIIF SUB-CDE XXIV, LLC,**
a Delaware limited liability company

By: LIIF New Markets, LLC, a Delaware limited liability company,
its managing member

By: Low Income Investment Fund,
a California nonprofit public benefit corporation, its manager

By: ____________________________
Amy Laughlin
Vice President, Structured Products and Capital Markets
ALLONGE TO PROMISSORY NOTE (NOTE A)

ALLONGE TO THAT CERTAIN PROMISSORY NOTE (NOTE A) IN THE ORIGINAL PRINCIPAL AMOUNT OF $5,545,660, DATED DECEMBER 13, 2013 (THE "NOTE"), FROM LIGHTHOUSE FOR CHILDREN, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AS MAKER, IN FAVOR OF CENTRAL VALLEY NMTC SUB IV, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY ("ASSIGNOR"), AS ASSIGNED:

Pay to the order of CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company ("ASSIGNEE"), WITHOUT RECOUSE and without representation or warranty, express or implied, except as set forth in that certain Redemption Agreement dated the date hereof between Assignee and Assignor.

In addition, the undersigned hereby assigns to Assignee all of its rights and obligations pursuant to that certain Loan Agreement dated as of December 13, 2013, by and among CENTRAL VALLEY NMTC SUB IV, LLC, a California limited liability company, and LIIF Sub-CDE XXIV, LLC, a Delaware limited liability company, collectively as "Lenders," and LIGHTHOUSE FOR CHILDREN, INC., a California nonprofit public benefit corporation, as Borrower.

Dated: As of December __, 2020

CENTRAL VALLEY NMTC SUB IV, LLC,
a California limited liability company

By: CENTRAL VALLEY NMTC FUND, LLC,
a California limited liability company, its
managing member

By: ___________________________
Name: Oliver L. Baines, III
Title: President and CEO
ALLONGE TO PROMISSORY NOTE (NOTE B)

ALLONGE TO THAT CERTAIN PROMISSORY NOTE (NOTE B) IN THE ORIGINAL PRINCIPAL AMOUNT OF $2,408,340, DATED DECEMBER 13, 2013 (THE “NOTE”), FROM LIGHTHOUSE FOR CHILDREN, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AS MAKER, IN FAVOR OF CENTRAL VALLEY NMTC SUB IV, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY (“ASSIGNEE”), AS ASSIGNED:

Pay to the order of CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company (“ASSIGNEE”), WITHOUT RECOUSE and without representation or warranty, express or implied, except as set forth in that certain Redemption Agreement dated the date hereof between Assignee and Assignor.

In addition, the undersigned hereby assigns to Assignee all of its rights and obligations pursuant to that certain Loan Agreement dated as of December 13, 2013, by and among CENTRAL VALLEY NMTC SUB IV, LLC, a California limited liability company, and LIIF Sub-CDE XXIV, LLC, a Delaware limited liability company, collectively as “Lenders,” and LIGHTHOUSE FOR CHILDREN, INC., a California nonprofit public benefit corporation, as Borrower.

Dated: As of December __, 2020

CENTRAL VALLEY NMTC SUB IV, LLC,
a California limited liability company

By: CENTRAL VALLEY NMTC FUND, LLC,
a California limited liability company, its managing member

By: ________________________
Name: Oliver L. Baines, III
Title: President and CEO
ASSIGNMENT OF DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND FIXTURE FILING

ASSIGNMENT OF DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FIXTURE FILING (this “Assignment”), dated December 13, 2020, made by the Central Valley NMTC Sub IV, LLC, a California limited liability company, having an office at 1401 Fulton St., Ste. 610, Fresno, CA 93721 and LIIF Sub-CDE XXIV, LLC, a Delaware limited liability company, having an office at of 49 Stevenson Street, Suite 300, San Francisco, CA 94105 (together with their respective successors and/or assigns, “Assignor”), in favor of Children and Families Commission of Fresno County, a California public agency formed pursuant to the California Children and Families Act, having an office 550 E. Shaw Avenue, Suite 215, Fresno, CA 93710 (together with its successors and/or assigns, “Assignee”).

RECITALS

WHEREAS, Assignor, together with Assignee, is the holder of that certain Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing dated as of December 13, 2013 in the aggregated amount of $15,714,000.00 recorded in the Recorder’s Office of Fresno County at 2013-0168340 made by Lighthouse for Children, Inc., a California nonprofit public benefit corporation (“Trustor”), in favor of Assignor (the “Deed of Trust”) encumbering the premises described on Schedule A annexed hereto and made a part hereof;

WHEREAS, Assignor desires to assign to Assignee all of Assignor’s right, title and interest in the Deed of Trust, together with the notes, bonds, indebtedness and/or obligations described in said Mortgage, as applicable;

NOW THEREFORE, in consideration of the receipt by Assignor of the sum of Ten Dollars ($10.00) and other good and valuable consideration paid by Assignee, Assignor hereby assigns unto Assignee, its successors and/or assigns, all of its right, title and interest in the Deed of Trust;

TOGETHER with the notes, bonds, indebtedness and/or obligations described in the Deed of Trust, as applicable; TO HAVE AND TO HOLD, the same unto Assignee, its successors and/or assigns forever.

ASSIGNEE is not acting as a nominee of the Trustor and the Deed of Trust continues to secure a bona fide obligation.

THIS ASSIGNMENT is made without recourse to the undersigned and without representation or warranty of any kind of nature, either expressed or implied, whether in law or in equity.

This ASSIGNMENT shall be governed by the laws of the State of California.

[SIGNATURE PAGE IMMEDIATELY Follows]
[SIGNATURE PAGE TO ASSIGNMENT OF DEED OF TRUST]

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the date first written above.

ASSIGNOR: CENTRAL VALLEY NMTC SUB IV, LLC, a California limited liability company

By: Central Valley NMTC Fund, LLC, a California limited liability company, its managing member

By:

   Oliver L. Baines, III
   President and CEO
NOTARY ACKNOWLEDGEMENT

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

State of California
County of

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

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

WITNESS my hand and official seal.

Signature_________________________ (Seal)

Optional Information

Description of the Attached Document

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages____ Document Date__________

_________________________ (Additional Information)
[SIGNATURE PAGE TO ASSIGNMENT OF DEED OF TRUST]

IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the date first written above.

ASSIGNOR: LIIF SUB-CDE XXIV, LLC, a Delaware limited liability company

By: LIIF New Markets, LLC, a Delaware limited liability company, its managing member

By: Low Income Investment Fund, a California nonprofit public benefit corporation, its manager

By: ____________________________
Amy Laughlin
Vice President, Structured Products and Capital Markets
NOTARY ACKNOWLEDGEMENT

State of Ohio )
County of _____________________)

The foregoing instrument was acknowledged before me on this the __________, 2020 by Amy Laughlin.

(Seal)

__________________________
Signature of person taking acknowledgement

__________________________
Printed name of person taking acknowledgement

__________________________
Title or Rank

__________________________
Serial Number (if any)
SCHEDULE A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FRESNO, COUNTY OF FRESNO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Lots 11 to 22 inclusive in Block 127 of the City of Fresno According to the Map thereof recorded June 08, 1876, in Book 1 Page 2 of Plats, Fresno County Recorders, together with that portion of the alley adjacent thereto that was vacated by the City of Fresno Resolution No. 2012-151 recorded September 5, 2012 as Document No. 2012-0125778, Official Records of Fresno County, and which would pass by a conveyance of said land under Sections 831 and 1112 of the California Civil Code, in the City of Fresno, County of Fresno, State of California, more particularly described as follows:

Beginning at the North corner of said Lot 11; thence South 42°00'30" East, along the Northeasterly line of said Block 127, a distance of 150.31 feet to the East corner of said Block 127; thence South 48°03'12" West, along the Southeasterly line of said Block 127, a distance of 319.94 feet to the South corner of said Block 127; thence North 42°00'47" West, along the Southwesterly of said Block 127, a distance of 150.13 feet to the West corner of said Lot 22; thence North 48°01'16" East, along the Northwesterly line of said Lot 22 and Northeasterly prolongation thereof and along the Northwesterly line of said Lot 11, a distance of 319.96 feet to the Point of Beginning.

APN: 466-094-09
REDEPTION AGREEMENT

THIS REDEPTION AGREEMENT (this "Agreement") is made and entered into as of December __, 2020, by and among CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company ("Investment Fund"), CENTRAL VALLEY NMTC SUB IV, LLC, a California limited liability company ("Company"), and CENTRAL VALLEY NMTC FUND, LLC, a California limited liability company ("Allocatee").

RECITALS

A. Company made two loans in the aggregate amount of $8,200,000 ("Loans") to Lighthouse for Children, Inc., a California nonprofit public benefit corporation (the "Borrower") pursuant to that certain Loan Agreement dated as of December 13, 2013, between Company and Borrower ("Loan Agreement"), which Loans are evidenced by two promissory notes executed by Borrower, each dated as of December 13, 2013: one promissory note ("Note A") in the original principal amount of $5,545,660, and one promissory note ("Note B") in the original principal amount of $2,408,340 (Note A and Note B, together are referred to "QALICB Notes").

B. Investment Fund owns 99.99% of the membership interest (the "Investor Interest") in Company, Allocatee owns a 0.01% of the membership interest in Company, and Allocatee serves as the managing member of Company.

C. Company desires (i) to redeem Investment Fund’s Investor Interest in Company and (ii) for Investment Fund to withdraw from Company as the Investor Member. In connection with redeeming the Investor Interest, Company shall tender the Redemption Price (as hereinafter defined) to Investment Fund.

D. Investment Fund desires to assign and transfer the Investor Interest to Company and withdraw as the Investor Member of Company upon receipt of the Redemption Price.

E. Company will pay the Redemption Price by assigning the QALICB Notes to the Investment Fund, together with all of Company’s rights under the Loan Agreement, that certain Deed of Trust, Security Agreement, Assignment of Rents and Financing Statement (the "Deed of Trust"), dated December 13, 2013, and recorded in the office of the Recorder of Fresno County on December 13, 2013, as Document #0168340, and all other Loan Documents (as that term is defined in the Loan Agreement).

F. By its execution hereof, Allocatee hereby evidences (i) its consent to the redemption of the Investor Interest by Company, (ii) its consent to the withdrawal of Investment Fund as the Investor Member of Company, and (iii) its consent to the transactions set forth herein.
G. Capitalized terms not defined herein shall have the meanings assigned to them in that certain Second Amended and Restated Operating Agreement of Company dated as of December 13, 2013 (the “Company Agreement”).

AGREEMENT

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The recitals stated above are incorporated herein as if restated in their entirety.

2. Redemption of Interest. Company hereby purchases and redeems Investment Fund’s Investor Interest for (the “Redemption Price”): (a) the amount of $8,200,000 which amount represents (i) the assignment of Note A in the amount of $5,545,660, and (ii) the assignment of Note B in the amount of $2,408,340 and (b) 99.99% of the other Assets (as defined below) of Company. In addition, the Redemption Price includes an assignment of the Deed of Trust, and all of Company’s interest in the other Loan Documents.

3. Transfer of Investor Interest and Withdrawal. Upon its receipt of the Redemption Price, Investment Fund assigns and transfers all of its rights, title and interest in and to the Investor Interest to Company and withdraws as the Investor Member of Company. The Company, Allocatee, and the Investment Fund shall execute and deliver the Assignment of Membership Interest (Sub-CDE Interest) attached hereto as Exhibit B.

4. Waiver and Consent. Allocatee hereby waives (a) all conditions, restrictions, provisions, procedures and notice requirements of the Company Agreement and articles of organization of Company relating to the redemption of the Investor Interest in Company, and (b) consents to the (i) redemption of the Investor Interest by Investment Fund, (ii) withdrawal by Investment Fund as the Investor Member of Company and (iii) payment of the Redemption Price.

5. Representations and Warranties of Investment Fund.

   (a) Organization. Investment Fund is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of Delaware.

   (b) Authority. Investment Fund and any individual executing this Agreement on Investment Fund’s behalf, have the power to execute, deliver and perform this Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement. To the best of Investment Fund’s knowledge, the execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of the articles of organization or operating agreement of Investment Fund, or any provision of any agreement, instrument, order, judgment or decree to which either Investment Fund is a party or by which it or any of its assets is bound.
(c) **Title.** Except for the pledge to Children & Families Commission of Fresno County, a public agency formed pursuant to the California Children and Families Act, pursuant to that certain Pledge Agreement, to the best of Investment Fund’s knowledge, Investment Fund is the lawful owner and holder of the Investor Interest, free and clear of all liens, encumbrances and claims by third parties, Investment Fund has not conveyed, transferred, or assigned (or agreed to convey, transfer or assign) its rights or interests in the Investor Interest or any underlying documents, and Investment Fund has not executed any other instrument which might prevent or limit Investment Fund from operating under the terms and provisions of the redemption provided for in this Agreement.

6. **Representations and Warranties of Company.**

(a) **Organization.** Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California.

(b) **Authority.** Company and any individual executing this Agreement on Company’s behalf, have the power to execute, deliver and perform this Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of Company Agreement, articles of organization, or any provision of any agreement, instrument, order, judgment or decree to which Company is a party or by which it or any of its assets is bound.

(c) **Ownership of Assets.** The QALICB Notes with an aggregate unpaid principal balance of $8,200,000 (Note A has an unpaid principal balance of $5,545,660 and Note B has an unpaid principal balance of $2,408,340) (the “**Assets**”) are all of the assets of Company. Company is the lawful owner and holder of the Assets, free and clear of all liens, encumbrances and claims by third parties, and, except for the assignment herein, Company has not conveyed, transferred, or assigned (or agreed to convey, transfer, or assign) its rights or interests in the Assets or any underlying documents, and has not executed any other instrument which might prevent or limit Investment Fund from operating under the terms and provisions of the assignment provided for in this Agreement.

(d) **Bankruptcy.** Neither Company nor any of its members or its manager (i) is in receivership or dissolution, (ii) has made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, (iii) has been adjudicated a bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against Company or any of its members, and (iv) to the best of its knowledge, none of the foregoing are pending or threatened in writing.
(e) **Binding Agreement.** This Agreement and the provisions hereof are legal, valid and binding against Company in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency and other similar laws, by any equitable principles affecting creditors’ rights generally, and by the discretion of the courts in granting equitable remedies, regardless of whether such enforceability is considered in a proceeding at law or in equity and regardless of whether such limitations are derived from constitutions, statutes, judicial decisions or otherwise.

7. **Representations and Warranties of Allocatee.**

(a) **Organization.** Allocatee is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California.

(b) **Authority.** Allocatee and any individual executing this Agreement on Allocatee’s behalf, have the power to execute, deliver and perform this Agreement and have taken all actions required to authorize the due execution and delivery of this Agreement. The execution, delivery and performance of this Agreement does not, and the consummation of the transactions contemplated hereby will not, violate any provision of Allocatee’s bylaws, articles of organization, or any provision of any agreement, instrument, order, judgment or decree to which Allocatee is a party or by which it or any of its assets is bound.

(c) **Bankruptcy.** Allocatee (i) is not in receivership or dissolution, (ii) has not made an assignment for the benefit of creditors or admitted in writing its inability to pay its debts as they mature, (iii) has not been adjudicated a bankrupt or filed a petition in voluntary bankruptcy or a petition or answer seeking reorganization or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any jurisdiction and no such petition has been filed against Allocatee or any of its members, and (iv) to the best of its knowledge, none of the foregoing are pending or threatened in writing.

(d) **Binding Agreement.** This Agreement and the provisions hereof are legal, valid and binding against Allocatee in accordance with their terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency and other similar laws, by any equitable principles affecting creditors’ rights generally, and by the discretion of the courts in granting equitable remedies, regardless of whether such enforceability is considered in a proceeding at law or in equity and regardless of whether such limitations are derived from constitutions, statutes, judicial decisions or otherwise.

8. **Expenses.** Investment Fund and Allocatee hereby acknowledge and agree that (i) all fees and expenses incurred by Investment Fund in connection with the redemption of the Investor Interest, including, but not limited to, the expenses related to the drafting and negotiation of this Agreement shall be borne by Investment Fund and reimbursed by Borrower, and (ii) all fees and expenses incurred by Allocatee and/or Company in...
connection with the redemption of the Investor Interest, including, but not limited to, the expenses related to the drafting and negotiation of this Agreement shall be borne by Allocatee and reimbursed by Borrower (the “Transaction Expenses”).

9. Release. Company, Allocatee hereby release and forever discharge Investment Fund from any and all claims, demands, obligations, losses, defaults, liabilities, damages, costs, expenses, contributions or reimbursements of any kind and nature arising out of the Company Agreement from and after the date hereof.

10. Acknowledgement of Continuation of Company Subsequent to Redemption. The parties hereto acknowledge and agree that it is the intention of Allocatee to continue Company immediately following the redemption of the Investor Interest. In light of the continued existence of Company, no liquidation or distribution of Company assets shall occur as provided under Section 11.01 and 11.02 of the Company Agreement.

11. Retention of Records. The parties shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of all federal, state and local tax returns for the final tax year (or other final period) during which Investment Fund held the Investor Interest. Allocatee and Company agree (a) to retain all books and records with respect to tax matters pertinent to the Investor Interest being redeemed under this Agreement relating to the taxable period beginning the date hereof until the expiration of the statute of limitations and any litigation held of the respective taxable periods, and to abide by all record retention agreements entered into with any taxing authority, and (b) to give Investment Fund reasonable written notice prior to transferring, destroying or discarding any such books and records and, if Investment Fund so requests, Company and Allocatee shall allow Investment Fund to take possession of such books and records.

12. Continued Reporting Obligations. The parties hereto acknowledge that Allocatee and Chase Community Equity, LLC, have entered into that certain NMTC Exit Agreement of even date herewith regarding certain continuing obligations of the Allocatee.

13. Payments Under Guaranty. To the extent Company receives any payments for obligations set forth under that certain Payment and Completion Guaranty dated as of December 13, 2013, Company and Allocatee will hold the amount so received in trust for Investment Fund and will forthwith turn over such payment to Investment Fund in the form received (except for the endorsement of Company where necessary) for application in such manner as Investment Fund may deem appropriate.


(a) Further Actions. Investment Fund agrees that it shall execute and deliver or cause to be executed and delivered from time to time such instruments, documents, agreements, consents and assurances and take such other action as Company reasonably may require to more effectively assign and transfer to and vest in Company, all right, title and interest in and to the Investor Interest redeemed. Allocatee shall cause amendments to the articles of organization of Company to be filed with the
California Secretary of State or other applicable organization whenever required by the California Limited Liability Company act to evidence the redemption of Investment Fund’s Investor Interest.

(b) **Waiver.** Allocatee, Company and Investment Fund each hereby waives any and all other requirements that may be set forth in the Company Agreement to the transactions described in this Agreement.

(c) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements among the parties with respect to these matters.

(d) **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflicts of law principles thereof.

(e) **Interpretation.** The descriptive headings contained in this Agreement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

(f) **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute a single agreement.

[Signature Pages Follow]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

INVESTMENT FUND:

CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company

By: Children and Families Commission of Fresno County, a public agency formed pursuant to the California Children and Families Act

By: ____________________________
Name: Brian Pacheco
Title: Commission Chair

[Signature Pages Continue]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

COMPANY:

CENTRAL VALLEY NMTC SUB IV, LLC,
a California limited liability company

By: CENTRAL VALLEY NMTC FUND, LLC,
a California limited liability company, its managing member

By: __________________________
Name: Oliver L. Baines, III
Title: President and CEO

ALLOCATEE:

CENTRAL VALLEY NMTC FUND, LLC,
a California limited liability company

By: __________________________
Name: Oliver L. Baines, III
Title: President and CEO
EXHIBIT A

FLOW OF FUNDS MEMORANDUM

(behind this page)
EXHIBIT B

ASSIGNMENT OF MEMBERSHIP INTERESTS

(Behind this page)
ASSIGNMENT OF MEMBERSHIP INTERESTS

THIS ASSIGNMENT OF MEMBERSHIP INTEREST (SUB-CDE INTEREST) (this "Assignment") is made as of December __, 2020, by and among CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company (the "Investment Fund"), CENTRAL VALLEY NMTC FUND, LLC, a California limited liability corporation ("Allocatee"), and CENTRAL VALLEY NMTC SUB IV, LLC, a California limited liability company (the "Company").

WITNESSETH:

WHEREAS, the Company was formed pursuant to those certain Limited Liability Company Articles of Organization filed with the Secretary of State of California on or before March 2, 2011, and is currently governed by that certain Second Amended and Restated Operating Agreement of the Company, dated as of December 13, 2013, entered into by and between the Investment Fund, as "Investor Member," and Allocatee (the "Sub-CDE Operating Agreement"); and

WHEREAS, the Investment Fund is the record and beneficial owner of 99.99% of the membership interests of Company (the "Investment Fund's Company Interest"), and Central Valley NMTC Fund, LLC is the record and beneficial owner of 0.01% of the membership interests of Company; and

WHEREAS, the Company, Allocatee, and the Investment Fund have entered into that certain Redemption Agreement dated as of December __, 2020 (the "Interest Redemption Agreement") whereby the Company has, in consideration of the assignment, sale and transfer by the Investment Fund of its membership interest in the Company, agreed transfer 99.99% of its Assets (as defined in the Interest Redemption Agreement) to the Investment Fund.

NOW, THEREFORE, the Company, Allocatee and the Investment Fund, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each agree as follows:

Section 1. Assignment of the Sub-CDE Interest. As of the date first set forth above, the Investment Fund hereby sells, assigns and transfers to the Company all of the Investment Fund’s Company Interest.

Section 2. Assumption of the Sub-CDE Interest. As of the date first set forth above, the Company hereby assumes all of the obligations of the Investment Fund as a member under the Operating Agreement and accepts all title and right to the Investment Fund’s Company Interest assigned to the Company in accordance with Section 1 of this Assignment.
Section 3. **Choice of Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California. This Agreement may be executed by the parties in one or more counterparts, each such counterpart shall be deemed an original, and all such counterparts taken together shall constitute one and the same instrument.

[Signature Pages Follow]
IN WITNESS WHEREOF, the parties hereto have caused this Assignment of Membership Interest (Sub-CDE Interest) to be duly executed as of the date first above written.

INVESTMENT FUND:

CHASE NMTC LIGHTHOUSE INVESTMENT FUND, LLC, a Delaware limited liability company

By: Children and Families Commission of Fresno County, a public agency formed pursuant to the California Children and Families Act

By: __________________________
Name: Brian Pacheco
Title: Commission Chair

[Signature Pages Continue]
IN WITNESS WHEREOF, the parties hereto have caused this Assignment of Membership Interest (Sub-CDE Interest) to be duly executed as of the date first above written.

COMPANY:

CENTRAL VALLEY NMTC SUB IV, LLC,
a California limited liability company

By: CENTRAL VALLEY NMTC FUND, LLC,
a California limited liability company, its managing member

By: _______________________
Name: Oliver L. Baines, III
Title: President and CEO

ALLOCATEE:

CENTRAL VALLEY NMTC FUND, LLC,
a California limited liability company

By: _______________________
Name: Oliver L. Baines, III
Title: President and CEO
AGENDA ITEM NO. 7

TO: Children & Families Commission of Fresno County

FROM: Fabiola González, Executive Director

SUBJECT: Executive Director’s Report

BACKGROUND:

The information presented below is to keep the Commission apprised of the Executive Director and staff’s broad efforts on behalf of the Commission including any COVID-19 pandemic related precautions and activities within the Lighthouse for Children facility.

Lighthouse for Children (LFC) Facility

- We have continued to be a testing site for the Fresno COVID-19 Equity Project in partnership with UCSF Fresno with testing taking place twice a month since October. The site has been busy with approximately 160 tests performed each time. Next testing date is Wednesday, December 16, 2020.

- The Lighthouse Child Development Center is open at reduced capacity and continues to offer virtual instruction. Average daily attendance is 28 children.

- The LFC will be closed from December 24th through January 1st, with staff working remotely during this time.

Policy & Advocacy

- Broadband Access to close the Digital Divide
  At the October 2020 Commission meeting, Commissioner Morales requested for the Commission to consider supporting efforts related to the limited broadband access for families. We know, the COVID-19 pandemic has brought to the forefront the need to prioritize affordable access to internet broadband services both in urban and in rural areas of our county. Many of our families are struggling with limited internet access and the gap has had an impact on children and families being able to access not only educational opportunities but health care services like prenatal care and home visitation services. Advocating for family-centered policies is one of our identified strategies in our Strategic Plan thus we will be working with Commissioner Morales to identify ways in which the Commission can be a voice for young children and families in supporting solutions to bridge the broadband and digital divide in Fresno County.

Internal Project Updates

- Glow! Group Prenatal Care and COVID-19 (EMBRACE Research Study)
As you may recall, the Commission is currently funding three community agencies to facilitate Glow! Group Prenatal Care in partnership with medical offices as part of the four-year research study coined EMBRACE. The research study is comparing birth and maternal outcomes between individual prenatal care and group prenatal care participants.

In light of the pandemic preventing in-person group sessions, earlier this fall, a new Glow! virtual protocol was approved using feedback from participants, medical providers, and group facilitators in direct coordination with the research teams to engage moms in virtual group prenatal care sessions and continue with the research study, albeit modified. Two Glow! cohorts launched virtual sessions in November and our staff continue to engage with medical offices to help increase the number of virtual groups taking place.

**National Webinar Spotlight** - In early November, First 5 Fresno County was featured in a webinar series hosted by the Patient-Centered Outcomes Research Institute for us to share with a national audience about Glow! and our partnership with the research community and other stakeholders. The focus of the webinar was to bring awareness to various efforts across the nation and the world being implemented to help combat African American infant mortality rates.

- **First 5 California shipment of Personal Protective Equipment (PPE)**
  On November 19, 2020, Chair Pacheco joined Centro La Familia Advocacy Center at their Kerman Neighborhood Resource Center to distribute PPE and cleaning supplies to support community-based agencies serving children and families in rural Fresno County. We have been informed there will be another shipment coming later this month. The following agencies received PPE and cleaning supplies this past November:

  - AMOR Wellness Center (Mendota), Comprehensive Youth Services (Sanger/Selma), Firebaugh Regional Health Council, Kerman Migrant Seasonal Head Start, Kerman Neighborhood Resource Center, La Viña Covenant Church (Kerman/Mendota/Firebaugh), Turning Point (Selma/Reedley/Sanger), Westside Family Preservation Services Network (Coalinga/Huron), and Westside Youth (Mendota).

**Participation in Statewide Efforts**

- **America 2030 – Vision for our Future Project**
  As a Fresno Cradle to Career partner, First 5 Fresno County was invited to participate in this project spearheaded by the End Child Poverty in California organization. My testimonial on behalf of First 5 Fresno County centered on the future we want for our young children and families in the year 2030 and included having “childcare be recognized as an essential component of a booming economy.” Many state, and local leaders have participated in the campaign including Governor Newsom, Dolores Huerta, and Attorney General Xavier Becerra. Here’s the link to the video project: [https://www.endchildpovertyca.org/america2030/](https://www.endchildpovertyca.org/america2030/)

- **Pediatrics Supporting Parents**
  Fresno County was selected as one of four counties to participate in the Pediatrics Supporting Parents (PSP) project. This project brings together county, state and national level partners with the goal of leveraging the pediatric well child visit to better support the healthy social and emotional development of young children. First 5 Fresno County has served as the lead for PSP in Fresno County, partnering with Cal Viva, Anthem Blue Cross and the Help Me Grow Fresno County Leadership Team to develop opportunities to further support and engage pediatric care providers in an effective countywide developmental screening and referral system.