

BANYARD MANAGEMENT
Board of Directors Meeting
2039 Forest Avenue
Chico, CA 95928

MEETING AGENDA

February 15, 2018
2:00 p.m.

The Board of Directors welcomes and encourages public participation in the Board meetings. Members of the public may be heard on any items on the Directors' agenda. A person addressing the Directors will be limited to 5 minutes unless the Chairperson grants a longer period of time. Comments by members of the public on any item on the agenda will only be allowed during consideration of the item by the Directors. Members of the public desiring to be heard on matters under jurisdiction of the Directors, but not on the agenda, may address the Directors during agenda item 6.

If you are disabled and need special assistance to participate in this meeting, please contact the Housing Authority office at 895-4474. Notification at least 48 hours prior to the meeting will enable Banyard Management to make reasonable arrangements.

NEXT RESOLUTION NO. 18-1B

ITEMS OF BUSINESS

1. ROLL CALL
2. AGENDA AMENDMENTS
3. CONSENT CALENDAR
 - 3.1 Minutes for the meeting of November 16, 2017.
 - 3.2 Banyard Management – Financial Report
 - 3.3 Chico Commons – HACB report
4. CORRESPONDENCE
5. REPORTS FROM PRESIDENT
 - 5.1 Corporate Services Agreement – Annual Authorization and Billing Rates with Housing Authority of the County of Butte.

Recommendation: Motion
 - 5.2 Housing Authority of the County of Butte (HACB) – Project Management Agreement with HACB.

Recommendation: Resolution No. 18-1B

*Banyard Management
Board of Directors
Agenda – Meeting of February 15, 2018
Page 1*

6. MEETING OPEN FOR PUBLIC DISCUSSION
7. MATTERS CONTINUED FOR DISCUSSION
8. SPECIAL REPORTS
9. REPORTS FROM DIRECTORS
10. MATTERS INITIATED BY DIRECTORS
11. EXECUTIVE SESSION
12. DIRECTORS' CALENDAR
- Next meeting – May 17, 2018.**
13. ADJOURNMENT

**BANYARD MANAGEMENT
Board of Directors Meeting**

2039 Forest Avenue
Chico, CA 95928

MEETING MINUTES

November 16, 2017

President Mayer called the meeting of Banyard Management to order at 2:00 p.m.

1. ROLL CALL

Present for the Directors: Kate Anderson, Patricia Besser, Larry Hamman, Anne Jones, Laura Moravec and David Pittman.

Others Present: President Ed Mayer, Chief Financial Officer Sue Kemp, Secretary Marysol Perez, Larry Guanzon, Tamra Young, and Jerry Martin.

2. AGENDA AMENDMENTS

None.

3. CONSENT CALENDAR

Director Moravec moved to accept the Consent Calendar as presented. Director Anderson seconded the motion. The vote in favor was unanimous.

4. CORRESPONDENCE

None.

5. REPORTS FROM PRESIDENT

- 5.1 Chico Commons Budget – The FY2018 Chico Commons budget was presented for approval. The budget was developed by Financial Officer Kemp and HACB Deputy Executive Director Guanzon, with coordination from AWI, property manager. AWI has been managing the property since the beginning of the year. Budgeting sees the next and last phase of siding replacements; no siding work was completed in 2017. The mortgage will be paid in full on September 1, 2018, which will free up and additional \$12,997 in cash flow each month.

RESOLUTION NO 17-2B

Director Anderson moved that Resolution No. 17-2B be adopted by reading of title only: “APPROVAL OF THE OPERATING BUDGET FOR F/Y 2018 FOR CHICO COMMONS APARTMENTS, CHICO, CA”. Director Pittman seconded. The vote in favor was unanimous.

- 5.2 Chico Commons Audit Report – The Chico Commons audited financial statements for year ended December 31, 2016 were presented. The audit report is being presented much later than normal, due to final close out with U.S. Residential; audit report is normally completed in March. Despite changes, not too many variances in the report, there were no questioned costs or findings by the auditors.

MOTION

Director Moravec moved motion to accept Chico Commons FY 2016 Audit Report as presented. Director Jones seconded. The vote in favor was unanimous.

- 5.3 Chico Commons Apartments – AWI property management has proposed moving to a no-smoking policy at Chico Commons Apartments. Housing Authority management recommends such policy implementation for the property, based on health and the cost of physically remediating the impacts of smoking. A “soft” policy will be implemented, where every effort will be made to work with residents in resolving ongoing smoking activity as opposed to terminations of tenancy. The Housing Authority is subject to a mandatory no-smoking policy for its HUD Public Housing Properties.

MOTION

Director Moravec moved motion to direct AWI, property manager to implement a no-smoking policy at Chico Commons Apartments. Director Pittman seconded. The vote in favor was unanimous.

6. MEETING OPEN FOR PUBLIC DISCUSSION

None.

7. MATTERS CONTINUED FOR DISCUSSION

None.

8. SPECIAL REPORTS

None.

9. REPORTS FROM BOARD MEMBERS

None.

10. MATTERS INITIATED BY BOARD MEMBERS

None.

11. EXECUTIVE SESSION

None.

12. DIRECTOR'S CALENDAR

Next Meeting – February 15, 2018.

13. ADJOURNMENT

Director Anderson moved that the meeting be adjourned. Director Jones seconded. The meeting was adjourned at 2:13 p.m.

Dated: November 16, 2017.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

**BANYARD MANAGEMENT
BALANCE SHEET
December 31, 2017**

***** A S S E T S *****

Current Assets

Cash - Unrestricted		196,668
Total Current Assets		196,668

Other Assets

Investment in Chico Commons, L.P.		355,454
Total Other Assets		355,454

TOTAL ASSETS		552,122
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***** LIABILITIES AND EQUITY *****

Current Liabilities

Accounts Payable		780
Accrued Liabilities - Other		0
Total Current Liabilities		780

TOTAL LIABILITIES		780
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Equity

Prior Year Equity Balance		554,146
Retained Earnings		-2,804
Total Equity		551,342

TOTAL EQUITY		551,342
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TOTAL LIABILITIES AND EQUITY		552,122
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BANYARD-GEN. FUND INCOME STATEMENT

December 31, 2017

YTD %
25.00

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
REVENUES							
Partnership Income	1,080	1,080	0	3,240	12,960	-9,720	25.00
Investment Income	12	15	-3	35	180	-145	19.44
TOTAL REVENUES	1,092	1,095	-3	3,275	13,140	-9,865	24.92
Audit Fee	0	63	-63	0	750	-750	0.00
Corporate Services	780	1,250	-470	2,839	15,000	-12,162	18.92
Consulting Fees	0	0	0	0	0	0	0.00
Legal Expenses	0	125	-125	0	1,500	-1,500	0.00
Misc. Administrative Costs	0	0	0	0	0	0	0.00
Outside Management Fees	1,080	1,080	0	3,240	12,960	-9,720	25.00
Partnership Losses	0	42	-42	0	500	-500	0.00
Taxes and Fees	0	42	-42	0	500	-500	0.00
TOTAL EXPENSES	1,860	2,601	-741	6,079	31,210	-25,132	19.48
RETAINED EARNINGS	-768	-1,506	738	-2,804	-18,070	15,267	15.51

MEMO

Date: February 9, 2018

To: Board of Directors, Banyard Management

From: Larry Guanzon, HACB Deputy Executive Director

Subject: Status Report – Chico Commons Apartments, Chico

Chico Commons Apartments, Chico (72 units, LIHTC, Family, MGP, Banyard Management, PM: AWI) - As of the beginning of the month the property had seven (7) vacancies. *AWI provides a detail report on the current status with applications and prospective move-ins. We are hopeful as the traffic picks up they are able to decrease the overall vacancy loss which is higher than anticipated.* The next phase of exterior siding replacements has been scheduled for the spring of 2018. We anticipate there will be one additional phase of siding replacement in 2019 to finish all buildings at the property. We were planning for landscape upgrades and ADA common area improvements in 2017, as well, following the DAC-generated accessibility transition plan, but this capital item has been pushed back to 2018-19. We are transitioning to a no smoking property, with AWI property management leading the way. AWI operates the majority of their managed properties as non-smoking, and has experience converting multi-family properties from smoking to non-smoking. The move to a “no smoking” policy has received no protests from resident’s, according to AWI. At this time there are a couple of complaints where residents continue to report to management residents who continue to violate the no smoking policy.

**CHICO COMMONS
BALANCE SHEET
December 31, 2017**

***** A S S E T S *****

Current Assets	
Cash - Unrestricted	82,114
Cash - Tenant Security Deposits	39,584
Cash- Restricted Reserves	58,965
Accounts Receivable - Misc.	0
Accounts Receivable - Tenants	6,294
Prepaid Expenses and Other Assets	<u>22,882</u>
Total Current Assets	209,839
Fixed Assets	
Land	607,476
Buildings	5,319,474
Furniture and Equipment	175,661
Accumulated Depreciation	<u>-3,286,151</u>
Total Fixed Assets	2,816,460
Other Assets	
Organizational Fees, Net of Amortization	<u>81,295</u>
Total Other Assets	81,295
TOTAL ASSETS	<u><u>3,107,594</u></u>

***** LIABILITIES AND EQUITY *****

Current Liabilities	
Accounts Payable	3,040
Accrued Interest Payable - Current	31,250
Tenant Security Deposits	37,535
Prepaid Rent	3,056
Long Term Debt - Current	133,713
Accrued liabilities - Other	<u>508</u>
Total Current Liabilities	209,102
Long-Term Liabilities	
Accrued Interest Payable - Net of Current	147,911
Long-Term Debt, Net of Current - Capital	605,195
Long-Term Debt, Net of Current - Operating	<u>0</u>
Total Long-Term Liabilities	753,106
TOTAL LIABILITIES	<u>962,208</u>
Equity	
Partner's Equity	2,046,166
Retained Earnings	<u>99,220</u>
Total Equity	2,145,386
TOTAL EQUITY	<u>2,145,386</u>
TOTAL LIABILITIES AND EQUITY	<u><u>3,107,594</u></u>

CHICO COMMONS INCOME STATEMENT

December 31, 2017

YTD %
100.00

	Month to Date			Year to Date			% used
	Actual	Budget	Remaining	Actual	Budget	Remaining	
Potential Dwelling Rent	52,266	54,084	-1,818	624,819	649,008	-24,189	96.27
Vacancy Loss	-4,717	-2,704	-2,013	-41,245	-32,450	-8,795	127.10
Rebates	0	0	0	0	0	0	0.00
Manager's Unit - moved to expense line	0	0	0	0	0	0	0.00
Net Dwelling Rent	47,549	51,380	-3,831	583,574	616,558	-32,984	94.65
Tenant Charges	357	1,040	-683	9,990	12,480	-2,490	80.05
Laundry Revenue	2,818	833	1,984	11,210	10,000	1,210	112.10
Miscellaneous Income	0	0	0	0	0	0	0.00
Investment Income	3	17	-13	11	200	-189	5.30
TOTAL REVENUES	50,727	53,270	-2,543	604,784	639,238	-34,454	94.61
Advertising	0	83	-83	0	1,000	-1,000	0.00
Audit Fee	381	381	0	4,568	4,568	0	100.00
Credit & Collection Expense	142	292	-150	1,040	3,500	-2,460	29.72
Franchise Tax Board	0	67	-67	800	800	0	100.00
Insurance-Liability/Property	1,723	858	865	13,406	10,290	3,116	130.28
Legal	1,461	167	1,295	6,026	2,000	4,026	301.28
Management Fees	2,808	2,952	-144	33,696	35,424	-1,728	95.12
Misc. Administrative Costs	578	375	203	1,616	4,500	-2,884	35.91
Office Supplies	177	150	27	4,418	1,800	2,618	245.44
Partnership Expense	1,080	1,080	0	12,960	12,960	0	100.00
Property Taxes	274	628	-354	5,410	7,535	-2,125	71.80
Resident Activities	0	300	-300	181	3,600	-3,419	5.04
Telephone	54	120	-66	2,432	1,440	992	168.92
Training & Travel	0	100	-100	1,836	1,200	636	152.96
Total Admin Costs	8,678	7,551	1,126	88,389	90,617	-2,228	97.54
Site Maintenance: Salary	2,642	2,773	-131	25,060	33,280	-8,220	75.30
Site Manager: Salary & Free Rent	3,173	3,371	-198	37,367	40,452	-3,085	92.37
Payroll Taxes & Benefits	1,483	2,044	-561	15,442	24,527	-9,085	62.96
Total Salary & Benefits	7,298	8,188	-890	77,869	98,259	-20,390	79.25
Electricity	861	667	194	11,612	8,000	3,612	145.15
Gas	1,408	1,067	342	17,552	12,800	4,752	137.12
Water & Sewer	3,259	3,208	51	33,817	38,500	-4,683	87.84
Total Utilities	5,528	4,942	587	62,981	59,300	3,681	106.21
Landscape Maintenance	1,000	1,513	-513	16,575	18,150	-1,575	91.32
Maintenance Materials	1,203	583	620	15,714	7,000	8,714	224.49
Trash Removal	1,090	400	690	9,023	4,800	4,223	187.98
Other Maintenance Contracts	80	2,917	-2,837	8,870	35,000	-26,130	25.34
Unit Turnover Maintenance	0	0	0	0	0	0	0.00
Total Maintenance Costs	3,373	5,413	-2,039	50,182	64,950	-14,768	77.26
Capital Improvements (expensed)	2,650	3,333	-683	33,402	40,000	-6,598	83.50
Depreciation & Amortization	11,163	11,292	-128	133,961	135,500	-1,539	98.86
Interest Expense-City of Chico	2,604	2,604	0	31,276	31,250	26	100.08
Interest Expense-HACB	1,010	1,854	-844	12,198	22,252	-10,054	54.82
Tenant Bad Debt	9,131	2,084	7,047	15,307	25,011	-9,704	61.20
Total Other Expenses	26,559	21,168	5,391	226,143	254,013	-27,870	89.03
TOTAL EXPENSES	51,436	47,261	4,175	505,565	567,139	-61,574	89.14
RETAINED EARNINGS	-710	6,008	-6,718	99,220	72,099	27,121	137.62
+ Deprec & Amort	11,163	11,292	-128	133,961	135,500	-1,539	98.86
- Capital Improvements (capitalized)	0	6,250	-6,250	0	75,000	-75,000	0.00
- Debt Payments	-11,987	-11,143	-844	-130,769	-133,713	2,944	97.80
- Transfer to/from Reserves	-2,500	3,750	-6,250	-30,000	45,000	-75,000	-66.67
NET CASH FLOW	-4,033	3,657	-7,690	72,412	43,886	28,526	165.00



Chico Commons January 2018

Variance report sent explaining budget differences and expenses.

Updates:

Chico Commons currently has seven vacancies. Two units leased in January and one move out. One unit on notice to vacate which we are hoping to transfer to a one bedroom as the tenant can no longer afford rent in the two bedroom.

We have several applicants in process.

One applicant approved and ready for move in the week of February 5th.

A second application close to an approval pending the verification of employment from IHSS (which the employer has confirmed mailing back) and the criminal background report. The unit is market ready.

A third applicant completed the leasing interview on 2/2/18. The Property manager is working to expedite the verifications for a move in. Maintenance is finishing the unit turn. Minor maintenance and cleaning is pending to complete the turn.

We are making progress on applications and expect to reduce the vacancies significantly in the next 30 days. The several move outs at the end of 2017 as well as issues with problem households caused delays in leasing....with only one notice to vacate and applications in process we are in good shape.

(530) 745-6170 tel AWI Management Corporation
(530) 745-6173 fax PO Box 550
www.awimc.com Auburn CA 95604



AWI Management Corporation is an Equal Opportunity provider and employer.

Chico Commons
For the Month Ended January 31, 2018
Statement of Income & Cash Flow

	Current Activity	Current Budget	Current Variance	YTD Activity	YTD Budget	YTD Variance
Rental Income						
Gross Rents	\$ 53,920.00	\$ 53,818.67	\$ 101.33	\$ 53,920.00	\$ 53,818.67	\$ 101.33
Vacancies	(5,769.84)	(2,690.92)	(3,078.92)	(5,769.84)	(2,690.92)	(3,078.92)
Rent Adjustments	(147.48)	0.00	(147.48)	(147.48)	0.00	(147.48)
Manager's Unit	(771.00)	(771.00)	0.00	(771.00)	(771.00)	0.00
Total Tenant Rent	\$ 47,231.68	\$ 50,356.75	\$ (3,125.07)	\$ 47,231.68	\$ 50,356.75	\$ (3,125.07)
Other Project Income:						
Laundry Income	\$ 1,019.15	\$ 916.67	\$ 102.48	\$ 1,019.15	\$ 916.67	\$ 102.48
Restricted Reserve Interest Incom	7.19	0.00	7.19	7.19	0.00	7.19
Late Charges	175.00	166.67	8.33	175.00	166.67	8.33
Other Tenant Income	\$ 752.00	\$ 666.67	\$ 85.33	\$ 752.00	\$ 666.67	\$ 85.33
Miscellaneous Income	\$ 12.50	\$ 3,750.00	\$ (3,737.50)	\$ 12.50	\$ 3,750.00	\$ (3,737.50)
Other Project Income	\$ 1,965.84	\$ 5,500.01	\$ (3,534.17)	\$ 1,965.84	\$ 5,500.01	\$ (3,534.17)
Total Project Income	\$ 49,197.52	\$ 55,856.76	\$ (6,659.24)	\$ 49,197.52	\$ 55,856.76	\$ (6,659.24)
Project Expenses:						
Maint. & Oper. Exp. (Fr Page 2)	\$ 8,576.83	\$ 15,242.17	\$ (6,665.34)	\$ 8,576.83	\$ 15,242.17	\$ (6,665.34)
Utilities (From Pg 2)	6,341.99	6,541.67	(199.68)	6,341.99	6,541.67	(199.68)
Administrative (From Pg 2)	7,391.36	7,188.08	203.28	7,391.36	7,188.08	203.28
Taxes & Insurance (From Pg 2)	988.27	1,420.17	(431.90)	988.27	1,420.17	(431.90)
Other Taxes & Insurance (Fr Page	1,808.19	2,623.84	(815.65)	1,808.19	2,623.84	(815.65)
Other Project Expenses	673.92	795.01	(121.09)	673.92	795.01	(121.09)
Total O&M Expenses	\$ 25,780.56	\$ 33,810.94	\$ (8,030.38)	\$ 25,780.56	\$ 33,810.94	\$ (8,030.38)
Mortgage & Owner's Expense						
Mortgage Payment	\$ 12,997.06	\$ 12,997.00	\$.06	\$ 12,997.06	\$ 12,997.00	\$.06
Interest Expense - City of Chico	\$ 2,604.17	\$ 2,604.17	\$ 0.00	\$ 2,604.17	\$ 2,604.17	\$ 0.00
Reporting / Partner Management F	1,080.00	1,080.00	0.00	1,080.00	1,080.00	0.00
Interest Expense - HACB	0.00	1,854.33	(1,854.33)	0.00	1,854.33	(1,854.33)
Transfer - Reserves	2,500.00	2,500.00	0.00	2,500.00	2,500.00	0.00
Total Mortgage & Owner's Exp.	\$ 19,181.23	\$ 21,035.50	\$ (1,854.27)	\$ 19,181.23	\$ 21,035.50	\$ (1,854.27)
Total Project Expenses	\$ 44,961.79	\$ 54,846.44	\$ (9,884.65)	\$ 44,961.79	\$ 54,846.44	\$ (9,884.65)
Net Profit (Loss)	\$ 4,235.73	\$ 1,010.32	\$ 3,225.41	\$ 4,235.73	\$ 1,010.32	\$ 3,225.41

Other Cash Flow Items:

February 9, 2018

Memo

To: Banyard Management Board of Directors

From: Ed Mayer, President

Subject: Corporate Services Agreement with Housing Authority
Billing Rates and Annual Total Authorization

Banyard Management (Banyard) contracts with the Housing Authority of the County of Butte (HACB) for provision of services to support its corporate activity (Corporate Services Agreement, July 16, 2015). The Agreement provides for mutual adjustment to both rates of compensation, and a contract maximum.

On February 15th, the Housing Authority of the County of Butte (HACB) changed its billing rates for services (attached), and seeks Banyard Management acceptance of the rates effective March 1, 2018. The HACB seeks to maintain its contract maximum, currently set at \$15,000 per year, applicable to the October 1, 2017 through September 30, 2018 operating year.

Recommendation: regarding the Corporate Services Agreement between Banyard Management and the HACB, motion to accept HACB billing rates established February 15, 2018, effective March 1, 2018, and to further accept continuance of the limit to total annual compensation in an amount to not exceed \$15,000.00 for the year extending from October 1, 2017 through September 30, 2018.



HOUSING AUTHORITY of the County of Butte

(530) 895-4474
FAX (530) 895-4469
TDD/TTY (800) 735-2929
(800) 564-2999 Butte County Only
WEBSITE: www.butte-housing.com
2039 Forest Avenue • Chico, CA 95928

Hourly Billing Rates Effective March 1, 2018

Executive Director	\$135.00
Deputy Executive Director	\$107.00
Finance Director	\$ 95.00
Admin. Operations Director	\$ 80.00
Executive Assistant	\$ 43.00
Systems Administrator	\$ 75.00



BANYARD MANAGEMENT

RESOLUTION NO. 18-1B

AUTHORIZATION TO ENTER INTO CAPITAL IMPROVEMENTS MANAGEMENT SERVICES AGREEMENT WITH HOUSING AUTHORITY OF THE COUNTY OF BUTTE

WHEREAS, Banyard Management (Banyard) is the Managing General Partner of the IRS Section 42-regulated partnership that owns the multi-family affordable rental property known as Chico Commons Apartments, located in Chico, CA (Property); and

WHEREAS, Banyard seeks expertise and capacity to carry out the organization and construction/implementation of capital improvement work at the Property; and

WHEREAS, the Housing Authority of the County of Butte (HACB) manages and administers various government financed affordable housing properties throughout the County of Butte and has the personnel and expertise to administer capital improvement activities and obligations at its properties; and

WHEREAS, Banyard seeks to establish a working relationship with HACB where such capital improvement work can be carried out efficiently and effectively by utilizing the expertise and capacities of the HACB; and

WHEREAS, a written agreement has been created to authorize the capital improvement management work to be performed by HACB on behalf of Banyard; and

WHEREAS, Banyard has determined such agreement to be in its best interest;

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Banyard Management (Banyard) to hereby authorize execution of the Capital Improvement Management Services Agreement between Banyard and the Housing Authority of the County of Butte, such agreement attached to and made a part of this resolution, such agreement effective as of the date of the date of this resolution.

Dated: February 15, 2018.

Edward S. Mayer, President

ATTEST:

Marysol Perez, Secretary

Capital Improvement Management Services Agreement
between
Banyard Management
and
Housing Authority of the County of Butte

This Capital Improvement Management Services Agreement (Agreement) is made and entered into this 18th day of January, 2018 by and between Banyard Management, a California nonprofit public benefit corporation (Banyard) and Housing Authority of the County of Butte (HACB), a public body, corporate and politic.

RECITALS

1. Banyard is the Managing General Partner of an IRS Section 42-regulated partnership that owns a multi-family affordable rental properties known as Chico Commons Apartments, Chico, CA, (Property).
2. HACB manages and administers various government financed affordable housing projects throughout the County of Butte and has the personnel and expertise to assist Banyard carry out its capital improvement activities and obligations at its Property.
3. Capital Improvements are defined as those capital improvement work projects and activities at the Properties that exceed \$5,000.00 in cost. Capital Improvements do not include normal maintenance and repair.
4. Capital Improvement Cost is defined as the cost of a Capital Improvement and shall exclude any cost of HACB staff.
5. Capital Improvement Management Services are defined as those services necessary to manage Capital Improvements and include the generation of contracts with all necessary contractors, subcontractors, materialmen, suppliers, architects, and engineers on behalf of, and in the name of, Banyard; the settlement of disputes or claims arising therefrom on behalf of and in the name of Banyard; and providing personnel necessary for proper supervision and coordination of the Capital Improvements with the Site Manager at the Property at which Capital Improvement work is undertaken.
6. HACB has agreed to provide Capital Improvement Management Services to Banyard (as defined hereafter) and Banyard has agreed to accept said Capital Improvement Management Services for Capital Improvements at the Property.
7. In consideration of said Capital Improvement Management Services, Banyard agrees to pay the HACB compensation as specified herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Capital Improvement Management Services

HACB hereby agrees to perform and/or provide Capital Improvement Management Services to Banyard as follows:

When Capital Improvements at Banyard Property has been budgeted and/or determined necessary by Banyard, HACB shall provide Capital Improvement Management Services for said Capital Improvements in accordance with the following:

- (a) If the Capital Improvement Cost is less than \$50,000, HACB shall receive a fee equal to fifteen percent (15%) of the Capital Improvement Cost.
- (b) If the Capital Improvement Cost is greater than \$50,000, HACB shall receive a fee equal to ten percent (10%) of the Capital Improvement Cost.

Section 2. Term of Agreement

This Agreement is for a term of twelve (12) months, starting January 18, 2018 and extending through January 17, 2019. This agreement shall renew automatically in one-year increments, unless extended or modified otherwise in writing by the parties hereto.

Section 3. Applicable Law

This Agreement and the application of interpretation hereof, shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

BANYARD MANAGEMENT
a California nonprofit public benefit corporation

HOUSING AUTHORITY OF THE
COUNTY OF BUTTE
a public body, corporate and politic

Edward S. Mayer
President

Kate Anderson
Chair, Board of Commissioners