VIA CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED

CB-WLG Affordable Limited Partnership
Attn: Arun Agarwal, CEO
10404 Essex Court, Suite 101
Omaha, NE 68114

NOTICE OF DEFAULT

To Whom It May Concern:

This Notice of Default constitutes written notice of an Event of Default under the Purchase, Sale, and Development Agreement by and between the City of Council Bluffs, Iowa (the "City") and CB-WLG Affordable Limited Partnership (the "Developer") dated September 13, 2021 (the "Agreement").

This Notice of Default is given pursuant to Section 11.2 of the Agreement as written notice of Developer's breach of the Agreement, which constitutes an Event of Default under the Agreement. Section 11.1 defines several Events of Default, including Section 11.1(b): "Failure by Developer to substantially observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement, the Interlocal HOME Agreement, or the State Agreement." Section 11.2 provides that the City may take action in response to Events of Default after thirty (30) days' written notice to Developer, if the Event of Default has not been cured within said thirty (30) days, or if the Event of Default cannot reasonably be cured within thirty (30) days and Developer do not provide assurances reasonably satisfactory to the City that the Event of Default will be cured as soon as reasonably possible.

As of the date of this Notice, the Developer has failed to enter into an agreement with Iowa Finance Authority that meets the criteria for the "State Agreement" and has failed to enter into an agreement with the Omaha/Council Bluffs Interlocal HOME Consortium that meets the criteria for the "Interlocal HOME Agreement." Pursuant to Section 3.1 of the Agreement, a condition precedent to the City's transfer of the Development Property to the Developer is "Developer entering into and remaining in compliance with (i) the State Agreement with Iowa Finance Authority related to Developer's receipt of Low-Income Housing Tax Credits in connection with the Project and (ii) the Interlocal HOME Agreement related to Developer's receive of a grant of $500,000 in connection with the Minimum Apartment Improvements." This condition precedent was expected to be met nearly two years ago, in order to permit Closing to occur on or before December 31, 2021.

Since the Agreement was executed, City staff have repeatedly engaged in discussions with the Developer seeking updates on the Developer's progress to enter into the State Agreement and the Interlocal HOME Agreement, as well as other updates on Developer's progress on the Project. The Developer's failure to enter into the State Agreement and the Interlocal HOME Agreement has prevented the parties from completing the Closing for almost two years. In turn, the Developer's failure to enter into the State Agreement and the Interlocal HOME Agreement has impeded progress in furtherance of completing the Project pursuant to the timelines set forth in the Agreement. Accordingly, the City has determined that Developer has failed to substantially observe or perform a condition and obligation on its part to be performed under the terms and conditions of the Agreement, which is an Event of Default.

In light of the extended failure to enter into the State Agreement and the Interlocal HOME Agreement, notwithstanding repeated dialogue between the City and Developer about the need to enter into such agreements, the City has no reason to believe the Events of Default will be cured within thirty (30) days or that the Developer will be able to provide assurances reasonably satisfactory to the City that the Events of Default will be cured "as soon as reasonably possible." The City intends to include a proposal for termination of the Agreement on the agenda for the City Council to be held on November 13, 2023.

If the Events of Default are not resolved to the City's satisfaction **on or before November 13, 2023**, then the City may exercise some or all of its remedies under the Agreement, including but not limited to termination of the Agreement.

Dated this 12 day of October, 2023.

CITY OF COUNCIL BLUFFS, IOWA

By: _____

Name: Courtney Harter

Its: Director of Community Development

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