



AGENDA

ISLAND CITY DEVELOPMENT
Regular Meeting
April 29th, 2021 at 12:15 PM
Via Zoom Conference Call

.....

Pursuant to the Island City Development Bylaws Section 5.13, any Board meeting may be held by telephone conference. Additionally, Executive Order Numbers N-29-20 and N-35-20 signed by Governor Gavin Newsom and guidance provided by legal counsel, a local legislative body, such as the Board of Commissioners, or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or the public as a condition of participation in or a quorum for a public meeting have been waived.

Public access to this meeting is available as follows:

Zoom Information here:

Alameda Housing Authority is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting

<https://us02web.zoom.us/j/85697738737?pwd=NXFLMVFBBeE1ubFdmRThsUnZITHpEQT09>

Meeting ID: 856 9773 8737

Passcode: 528735

One tap mobile

+16699006833,,85697738737#,,,,*528735# US (San Jose)

+14086380968,,85697738737#,,,,*528735# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

+1 408 638 0968 US (San Jose)

+1 346 248 7799 US (Houston)

+1 253 215 8782 US (Tacoma)

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Washington DC)

+1 312 626 6799 US (Chicago)

Meeting ID: 856 9773 8737

Passcode: 528735

Find your local number: <https://us02web.zoom.us/u/kbab9W78li>

Persons wishing to address the Board of Directors are asked to submit comments for the public speaking portion of the agenda as follows:

Send an email with your comment(s) to jlayte@alamedahsq.org and vcooper@alamedahsq.org prior to or during the Board of Directors meeting.

-
1. CALL TO ORDER & ROLL CALL
 2. PUBLIC COMMENT (Non-Agenda)
 3. CONSENT CALENDAR (**Action**)
 - a. Approve Minutes of the Regular Meeting of the Board of Directors held December 17th, 2020, **Page 1**
 4. NEW BUSINESS
 - a. Approve a Contract Amendment with the Dahlin Group, Inc. for Architectural Services at Rosefield Village **Page 4**
 - b. Approve second Contract Amendment with the Carle, Mackie, Power & Ross LLP for Additional Legal Services at Rosefield Village **page 7**
 - c. Receive and File the December 31, 2020 Audited Financial Statements for the Following Limited Partnerships: Stargell Commons LP, Sherman and Buena Vista LP and Everett and Eagle L.P. **Page 10**
 - d. Authorize to allow Comcast Cable Communications Management, LLC and AT&T Services, Inc. access to Rosefield Village **Page 75**
 5. NON-AGENDA (Public Comment)
 6. WRITTEN COMMUNICATIONS
 7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF
 8. ADJOURNMENT
-

NOTES:

- If you need special assistance to participate in the meetings of the Island City Development Board of Directors, please contact Jocelyn Layte at (510) 747-4349 (TTY/TRS: 711) or jlayte@alamedahsq.org . Notification 48 hours prior to the meeting will enable the Island City Development Board of Directors to make reasonable arrangements to ensure accessibility.
- Documents related to this agenda are available for public inspection and copying at the Office of the Housing Authority, 701 Atlantic Avenue, during normal business hours.
- Know Your RIGHTS Under the Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of

Directors exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist Island City Development's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help Island City Development accommodate these individuals.

IF YOU WISH TO ADDRESS THE BOARD:

- Anyone wishing to address the Board on agenda items or business introduced by Board members may speak for a maximum of three (3) minutes per agenda item when the subject is before the Board. Please file a speaker's slip with the Board President. Upon recognition by the President, approach the rostrum and state your name.
- Lengthy testimony should be submitted in writing and only a summary of pertinent points presented verbally.
- Applause and demonstrations are prohibited during Board meetings.

MINUTES

Draft until approved

ISLAND CITY DEVELOPMENT

Semi-Annual Meeting

December 17th, 2020 at 4:00 PM

Via Zoom

1. CALLE TO ORDER & ROLL CALL

President Cooper called the meeting to order at 4:09 PM. The following board members were present on the zoom conference call: Director Vanessa Cooper, Director Carly Grob, and Director Janet Basta. Staff in Attendance: Louie So, Sylvia Martinez, Candace Latigue, Tony Weng, Rich Yoshida, Stephanie Shipe, Shekhar Dubbani, Adrian Maestas, Robert Crosby from John Stewart Company and Jocelyn Layte.

2. PUBLIC COMMENT: Non-Agenda (*None*)

3. CONSENT CALENDAR (**Action**)

- a. Approve Minutes of the Regular Meeting of the Board of Directors held June 29, 2020, **Page 1**
- b. Approve Minutes of the Regular Meeting of the Board of Directors held November 10, 2020, **Page 3**
- c. Accept the Rosefield Project Update Report and Ratify the Executed Construction Contract for Rosefield Village **Page 5**
- d. Accept Auditor Communication **Page 10**
- e. Approve the Fourth Amendment to the Consultant Services Agreement dated April 15 2015 with the Housing Authority of the City of Alameda **Page 39**
- f. Accept the 2019 Annual Financial Overview Report for Asset Management **Page 43**

Director Grob recused herself from approving the Minutes for 6/29/2020 and 11/10/2020 as she did not attend those meetings. With this caveat, Director Grob moved to accept consent calendar Items A-F. Director Basta seconded the motion. Roll call was held. Director Grob; Yes, with an abstention from items A and B, Director Basta; Yes, Director Cooper; Yes. The motion carried unanimously.

4. NEW BUSINESS

- a. Approve a Contract Amendment with the Dahlin Group, Inc. for Additional Architectural Services at Rosefield Village **Page 53 (Action)**

Mr. Weng explained that this amendment is on a much larger contract including design and construction administration services for the Rosefield Village development. This amendment, which provides for four additional months of construction oversight, in alignment with the construction contract, is brought back to the Board for approval because of the size of the original contract.

Director Grob moves to approve the Contract Amendment with the Dahlin Group, Inc. for Additional Architectural Services at Rosefield Village. Director Basta seconded. Roll call is held. Director Grob; Yes, Director Basta; Yes, Director Cooper; Yes. The motion carried unanimously.

- b. Accept the 2021 Annual Budgets for Constitution and Eagle, L.P , Everett and Eagle, L.P and Sherman and Buena Vista, L.P. **Page 56 (Action)**

Ms. Latigue gave summaries of the proposed budgets for the three properties and explained that these would be the budgets used in the calendar year starting January 2021.

Director Cooper recommended in the future budgets be represented as individual items for review. Director Cooper suggested that an approval of this agenda item be amended with a higher budget for Rosefield Village to accommodate Life Steps services fees that created a deficit at the time of presentation. Director Grob moved to approve the budget for the three properties. Director Cooper Amended the motion by adding up to \$1,000 to allow for a balanced budget due to the unforeseen deficit from Life Step services fees at Rosefield Village.

Director Grob accepted the amendment. Director Basta seconded. Roll call is held. Director Grob: Yes, Director Basta: Yes, Director Cooper, Yes. Motion carries unanimously.

- c. Approve and Adopt the 2021 ICD Annual Budget **Page 73 (Action)**

Ms. Martinez explained that the ICD Annual budget has two parts, one for administration and one for capital expenditure. The administrative budget has sources from earned development fee and the contract between ICD and AHA which was renewed in the earlier action of approval of the consent calendar. The administrative uses include consulting fees, audit, and other costs. The ICD capital expenditure budget uses a predevelopment loan from AHA to offset predevelopment costs for the North Housing project.

Director Grob moves to approve the adopted 2021 ICD annual budget. Director Basta seconded. Roll call is held. Director Grob; Yes, Director Basta; Yes, Director Cooper; Yes. Motion carries unanimously.

5. NON-AGENDA: Public Comment (*None*)
6. WRITTEN COMMUNICATION (*None*)
7. ORAL COMMUNICATIONS – BOARD MEMBERS AND STAFF (*None*)
8. ADJOURNMENT

President Cooper called the adjournment of the meeting at 4:48pm.

ISLAND CITY DEVELOPMENT

ITEM 4A

To: Board of Directors
Island City Development

From: Allyson Ujimori
Senior Project Manager

Date: April 29, 2021

Re: Approve a Contract Amendment with the Dahlin Group, Inc. for Additional Architectural Services at Rosefield Village

BACKGROUND

ICD performs real estate development services for Rosefield Village. On January 11, 2017, a Consultant Agreement was entered into by and between ICD and Dahlin Group Inc., for architectural services not to exceed \$250,000 for preliminary designs and entitlement review. On June 25, 2018, the contract expiration date was extended to December 31, 2018, in order to provide time to negotiate and finalize a full design and services agreement for the proposed project. On November 6, 2018, the Board approved a contract extension to December 31, 2021 for work not to exceed \$1,819,895 based on the full design and construction administration scope of work. On April 30, 2019, the Board approved a contract amendment for work not to exceed \$1,862,445, based on the corrected fee schedule. On March 18, 2020, The Board approved the contract amendment for work not to exceed \$1,872,045, based on the revised fee schedule.

DISCUSSION

The proposed amendment increases the not to exceed contract amount from \$1,872,045 to \$1,935,995. The total contract is increased by \$63,950 for additional construction administration services for the longer construction period.

FISCAL IMPACT

The contract amount increases are covered within the budget for the proposed project.

RECOMMENDATION

Approve a Contract Amendment with the Dahlin Group, Inc. for Additional Architectural Services at Rosefield Village.

Respectfully submitted,

DocuSigned by:



Allyson Ujimori

Senior Project Manager

Attachment:

1. Dahlin Group – Amendment No. 4 to the Consultant Services Agreement

AMENDMENT NO. 5 TO CONSULTANT AGREEMENT

This Amendment of a Consultant Agreement by and between Constitution and Eagle LP (Owner) and Dahlin Group, Inc., a California corporation, whose address is 5865 Owens Drive, Pleasanton, CA 94588 (hereinafter "Consultant"), made with reference to the following:

RECITALS

- A. On January 11, 2017, a Consultant Agreement was entered into by and between Owner and Consultant.
- B. The Original Consultant Agreement limited the Compensation to Consultant to a not exceed amount of Two Hundred and Fifty Thousand dollars and zero cents (\$250,000.00) for the term of the contract.
- C. The original expiration date of the contract is June 30, 2017.
- D. On June 25, 2018 the parties executed Amendment No. 1 to this Consultant Agreement. Amendment No. 1 to the Consultant Agreement extended the expiration date to December 31, 2018.
- E. On November 6, 2018 the parties executed Amendment No. 2 to this Consultant Agreement. Amendment No. 2 to the Consultant Agreement extended the expiration date to December 31, 2021 and amended the contract fee to One Million Eight Hundred Nineteen Thousand Eight Hundred Ninety Five Dollars and zero cents (\$1,819,895.00) based on the updated scope of work documented in Exhibit A and the updated fee schedule documented in Exhibit B.
- F. On April 1, 2019 the parties executed Amendment No. 3 to this Consultant Agreement. Amendment No. 3 to the Consultant Agreement limited the Compensation to Consultant to a not to exceed amount of One Million Eight Hundred Sixty-Two Thousand Four Hundred Forty-Five Dollars and zero cents (\$1,862,445.00) based on the updated scope of work documented in Exhibit A and the updated fee schedule documented in Exhibit B.
- G. On March 18, 2020 the parties executed Amendment No. 4 to this Consultant Agreement. Amendment No. 4 to the Consultant Agreement limited the Compensation to Consultant to a not to exceed amount of One Million Eight Hundred Seventy-Two Thousand Four Hundred and Forty-Five Dollars and zero cents (\$1,872,445.00), based on the updated additional scope of work and fee schedule document in the Request for Additional Services #01 dated January 27, 2020. An additional Six Thousand Four Hundred Dollars (\$6,400.00) is included as a contingency.
- H. The effective date of this Amendment No. 5 shall be April 12, 2020.

I. All conditions of the Consultant Agreement will remain the same except as amended below.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. The not to exceed amount for the entire Agreement shall be amended to One Million Nine Hundred Thirty-Five Thousand Nine Hundred and Ninety-Five Dollars and zero cents (\$1,935,995.00), based on the updated additional scope of work and fee schedule document in the Request for Additional Services #03 and #04 dated September 8, 2020 and February 22, 2021 respectively.
2. The contract expiration date shall be amended to December 31, 2022.

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Consultant Agreement to be executed on the day and year first above written.

Consultant:
Dahlin Group, Inc.

By: _____
Lauri Moffet-Fehlberg, Senior Principal

Owner:
Constitution and Eagle LP,
a California limited partnership

By: Rosefield LLC,
a California limited liability company,
its managing general partner

By: Island City Development,
a California nonprofit public benefit corporation,
its sole manager

By: _____
Janet Basta
Treasurer & Secretary

ISLAND CITY DEVELOPMENT

ITEM 4B

To: Board of Directors
Island City Development

From: Allyson Ujimori
Senior Project Manager

Date: April 29, 2021

Re: Approve the Second Contract Amendment with the Carle, Mackie, Power & Ross LLP for Additional Legal Services at Rosefield Village

BACKGROUND

ICD performs real estate development services for Rosefield Village. On January 23, 2019, a Consultant Agreement was entered into by and between ICD and Carle, Mackie, Power & Ross LLP, for legal services not to exceed \$100,000 for legal services for Rosefield Village. On January 1, 2020, the contract expiration date was extended to December 31, 2022.

DISCUSSION

The proposed amendment increases the not to exceed contract amount from \$100,000 to \$160,000. The total contract is increased by \$60,000 for additional costs that were incurred during the construction financing closing and to cover costs related to permanent loan conversion in 2022.

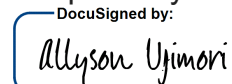
FISCAL IMPACT

The contract amount increases are covered within the budget for the proposed project.

RECOMMENDATION

Approve the second Contract Amendment with the Carle, Mackie, Power & Ross LLP for additional legal services at Rosefield Village.

Respectfully submitted,

DocuSigned by:

Allyson Ujimori
449573564376498
Senior Project Manager

Attachment:

1. Carle, Mackie, Power & Ross LLP – Amendment No. 2 to the Consultant Services Agreement

AMENDMENT NO. 2 TO CONSULTANT SERVICES AGREEMENT

This Amendment of a Consultant Agreement by and between CONSTITUTION AND EALGE LP (hereafter referred to as "Owner"), and CARLE, MACKIE, POWER & ROSS LLP, whose address is 100 B Street, Suite 400, Santa Rosa, CA 95401, hereinafter referred to as "Consultant"), is made on April 12, 2021 with reference to the following:

RECITALS

- A. On January 23, 2019, a Consultant Agreement was entered into by and between Owner and Consultant for legal services related to the Rosefield Village development, for which construction is expected to be completed in 2022.
- B. The Original Consultant Agreement limited the Compensation to Consultant to a not exceed amount of One Hundred Thousand Dollars and zero cents (\$100,000.00) for the term of the contract.
- C. The original expiration date of the contract was December 31, 2019.
- D. On January 1, 2020, the contract term was extended to December 31, 2022.
- E. All conditions of the Consultant Agreement will remain the same except as amended below.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. The not to exceed amount for the entire Agreement shall be amended to One Hundred Sixty Thousand Dollars and zero cents (\$160,000).

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Consultant Agreement to be executed on the day and year first above written.

(Signatures on the following page)

Consultant:
Carle, Mackie, Power & Ross LLP

Henry Loh II
Partner

Owner:
Constitution and Eagle LP,
a California limited partnership

By: Rosefield LLC,
a California limited liability company,
its managing general partner

By: Island City Development,
a California nonprofit public benefit corporation,
its sole manager

By: _____
Janet Basta
Treasurer & Secretary

ISLAND CITY DEVELOPMENT**ITEM 4C**

To: Board of Directors
Island City Development

From: Sylvia Martinez
Director of Housing
Development

Date: April 29, 2021

Re: Receive and File the December 31, 2020 Audited Financial Statements for the Following Limited Partnerships: Stargell Commons LP, Sherman and Buena Vista LP and Everett and Eagle L.P.

BACKGROUND

Island City Development is the general partner for four separate limited partnerships. Each limited partnership is required to prepare an audited financial statement each fiscal year. This statement then is used to prepare the annual tax return. Both the audited financial statement and tax return are reviewed by the Finance Director and Asset Manager and approved by the limited partner for each limited partnership. The audited financials will be consolidated into the Island City Development 2020 audit, which comes to the Board for review and approval with the IRS Form 990. Note: The fourth limited partnership is Constitution & Eagle, L.P., which is in construction and did not complete a 2020 audit with the approval of the limited partner.

RECOMMENDATION

Receive and File the December 31, 2020 audited financial statements for the Limited Partnerships listed below. An unqualified audit is the auditor's independent judgment that the financial statements are fairly and appropriately presented, in all material respects, in compliance with generally accepted accounting principles.

- Stargell Commons, L.P.; unqualified audit opinion
- Sherman and Buena Vista L.P.; unqualified audit opinion
- Everett and Eagle L.P.; unqualified audit opinion

Respectfully submitted,

DocuSigned by:

Sylvia Martinez

88FEDACB7D8D461...

Sylvia Martinez
Director of Housing Development

Attachments:

1. Stargell Commons LP Audited Financial Statement 2020
2. Sherman and Buena Vista LP Audited Financial Statement 2020
3. Everett and Eagle L.P. Audited Financial Statement 2020

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020 AND 2019



	<u>Page No.</u>
Independent Auditor's Report	1 – 2
Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Partners' Capital (Deficit)	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 15
Supplementary Information	
Schedules of Operating Expenses (Schedule I)	16
Schedule of Cash Flow (Schedule II)	17



INDEPENDENT AUDITOR'S REPORT

To the Partners of
Everett and Eagle L.P.:

Report on the Financial Statements

We have audited the accompanying financial statements of Everett and Eagle L.P., a California limited partnership (the Partnership), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations, changes in partners' capital (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Everett and Eagle L.P. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Report on the Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Holthouse Carlin & Van Trigt LLP

Los Angeles, California
April 8, 2021

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
BALANCE SHEETS

AS OF DECEMBER 31,	2020	2019
Assets		
Property, at cost		
Leasehold land improvements	\$ 653,457	\$ 653,457
Offsite improvements	58,032	58,032
Buildings and improvements	13,419,660	13,419,660
Site work	737,313	737,313
Personal property	223,867	223,867
Total property	15,092,329	15,092,329
Less: accumulated depreciation	(853,265)	(426,633)
Property, net	14,239,064	14,665,696
Cash and cash equivalents	331,714	277,210
Tenant and subsidy accounts receivable	6,226	754
Prepaid expenses and other assets	8,343	6,277
TCAC refundable deposit	31,632	31,632
Prepaid ground lease	9,700	9,800
Restricted cash:		
Operating reserve	50,068	50,023
Replacement reserve	16,000	4,000
Impounds - taxes and insurance	13,869	14,690
Tenant security deposits	19,000	19,000
Deferred costs, net	43,203	46,179
Total assets	\$ 14,768,819	\$ 15,125,261
Liabilities and Partners' Capital (Deficit)		
Notes payable, net of debt issuance costs	\$ 8,572,548	\$ 8,547,248
Accounts payable and accrued expenses	6,379	14,191
Accrued interest payable	483,248	327,368
Accrued partnership administration fees	20,300	10,000
Developer fee payable	342,677	342,677
Construction costs payable	-	41,464
Due to affiliate	-	12,326
Prepaid rents	7,082	3,867
Tenant security deposits liability	19,000	19,000
Total liabilities	9,451,234	9,318,141
Commitments and contingencies (See Notes)		
Partners' capital (deficit)	5,317,585	5,807,120
Total liabilities and partners' capital (deficit)	\$ 14,768,819	\$ 15,125,261

See accompanying notes to financial statements.

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,	2020	2019
Revenues		
Tenant rents	\$ 139,945	\$ 100,766
Rental subsidies	376,242	375,727
Total rental revenues	516,187	476,493
Other revenue	7,575	2,591
Total revenues	523,762	479,084
Operating expenses (Schedule I)		
Administrative	131,656	122,482
Utilities	10,899	10,440
Operating and maintenance	44,000	41,927
Ground lease expense	60	60
Taxes and insurance	30,229	29,024
Total operating expenses	216,844	203,933
Operating income before partnership and financial (income) expenses	306,918	275,151
Partnership and financial (income) expenses		
Interest expense	347,093	467,723
Interest income	(721)	(1,193)
Investor services fee	5,305	5,567
Partnership administration fee	10,300	10,000
Miscellaneous financial expenses	4,827	36,792
Start-up costs	-	42,475
Total partnership and financial (income) expenses	366,804	561,364
Loss before depreciation and amortization	(59,886)	(286,213)
Depreciation	426,633	426,633
Amortization of TCAC fees and ground lease	3,016	3,535
Net loss	\$ (489,535)	\$ (716,381)

See accompanying notes to financial statements.

EVERETT AND EAGLE L.P.

(A CALIFORNIA LIMITED PARTNERSHIP)

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL (DEFICIT)

		General Partner		Limited Partner		Total
Balance, December 31, 2018	\$	96	\$	461,485	\$	461,581
Contributions		-		6,061,920		6,061,920
Net loss		(72)		(716,309)		(716,381)
Balance, December 31, 2019		24		5,807,096		5,807,120
Net loss		(49)		(489,486)		(489,535)
Balance, December 31, 2020	\$	(25)	\$	5,317,610	\$	5,317,585

See accompanying notes to financial statements.

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	2020	2019
Operating activities		
Net loss	\$ (489,535)	\$ (716,381)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation	426,633	426,633
Amortization of deferred costs	2,976	3,495
Amortization of ground lease	100	100
Amortization of debt issuance costs	4,586	39,676
Changes in operating assets and liabilities:		
Tenant and subsidy accounts receivable	(5,472)	(754)
Prepaid expenses and other assets	(2,066)	(6,277)
Accounts payable and accrued expenses	(7,813)	14,191
Accrued interest payable	155,880	105,233
Accrued partnership administration fees	10,300	10,000
Due to affiliate	(12,326)	12,326
Prepaid rents	3,215	3,867
Tenant security deposits liability	-	19,000
Net cash provided by (used in) operating activities	86,478	(88,891)
Investing activities		
Expenditures for development and construction costs	(41,464)	(2,524,762)
Cash used in investing activities	(41,464)	(2,524,762)
Financing activities		
Proceeds from notes payable	50,000	3,416,673
Payments on notes payable	(29,286)	(6,472,932)
Expenditures for debt issuance costs	-	(37,032)
Contributions from Limited Partner	-	6,061,920
Net cash provided by financing activities	20,714	2,968,629
Net change in cash, cash equivalents, and restricted cash	65,728	354,976
Cash, cash equivalents, and restricted cash at beginning of year	364,923	9,947
Cash, cash equivalents, and restricted cash at end of year	\$ 430,651	\$ 364,923
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 186,627	\$ 298,832

See accompanying notes to financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Everett and Eagle L.P. is a California limited partnership (the Partnership), which was formed on November 22, 2016 and subsequently amended and restated on June 27, 2017. The original partners were as follows: 2437 Eagle Avenue, LLC, a California limited liability company (the General Partner) and the Housing Authority of the City of Alameda, a public body corporate and politic (the Initial Limited Partner). Effective June 27, 2017, the Initial Limited Partner withdrew from the Partnership and Wincopin Circle LLLP, a Maryland limited liability limited partnership, was admitted as the limited partner. Effective July 14, 2017, Wincopin Circle LLLP assigned its limited partner interest to Enterprise Neighborhood Impact Fund II, LLC, a Delaware limited liability company (the Limited Partner).

The Partnership is involved in the acquisition, construction, financing, leasing, and operation of a 20-unit multifamily affordable rental housing project located in Alameda, California (the Project), that was placed-in-service on December 17, 2018.

The Partnership has entered into regulatory agreements with the California Tax Credit Allocation Committee (TCAC), The Housing Authority of the City of Alameda (HACA), and the City of Alameda, which will govern the ownership, occupancy, tenant income and rents, and management of the Project.

The First Amended and Restated Agreement of Limited Partnership (Partnership Agreement) has various provisions which determine, among other things, allocations of profits, losses and distributions to partners, the ability to sell or refinance the Project, loans and guarantees, the rights and duties of the General Partner, and other Partnership matters.

The General Partner and Limited Partner's percentage of interest in profits and losses is generally .01% and 99.99%, respectively.

Basis of Accounting The Partnership's financial statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The accrual method of accounting is used which reflects revenues when earned and expenses as incurred.

Revenue Recognition Rental revenues are recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and its tenants are operating leases. Rental revenues reflect the gross potential rent that may be earned. Vacancies are shown separately as a reduction in rental revenue. Other revenue consists of other income from laundry vending, and miscellaneous charges to tenants. Such other revenue is recognized when earned.

Tenant Accounts Receivable Tenant accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. U.S. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Property Management Fee The Partnership entered into a property management agreement with an unrelated entity. The property management agreement provides for a monthly fee equal to \$55 per unit. Property management fees were \$14,003 and \$13,200 for the years ended December 31, 2020 and 2019, respectively.

Cash, Cash Equivalents, and Restricted Cash For purposes of the balance sheets and statements of cash flows, cash and cash equivalents consist of cash and highly liquid unrestricted investments with an original maturity of three months or less when purchased. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets that sum to the totals of the same such amounts presented in the statements of cash flows:

As of December 31,	2020	2019
Cash and cash equivalents	\$ 331,714	\$ 277,210
Restricted cash:		
Operating reserve	50,068	50,023
Replacement reserve	16,000	4,000
Impounds – taxes and insurance	13,869	14,690
Tenant security deposits	19,000	19,000
Cash, cash equivalents, and restricted cash	\$ 430,651	\$ 364,923

Property Property is stated at cost. Depreciation will be provided using the straight-line method over the following estimated useful lives:

Description	Life
Leasehold land improvements	99 years
Offsite improvements	20 years
Buildings and improvements	40 years
Site work	20 years
Personal property	5 years

The Partnership capitalizes expenditures or betterments that materially increase asset lives and charges ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

The Partnership reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. When evaluating recoverability, management considers future undiscounted cash flows estimated to be generated by the property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition. In the event these accumulated cash flows are less than the carrying amount of the property, the Partnership recognizes an impairment loss equal to the excess of the carrying amount over the estimated fair value of the property. No impairment losses were recognized in 2020 and 2019.

Debt Issuance Costs Debt issuance costs of \$297,856, net of accumulated amortization of \$175,640 and \$171,054 as of December 31, 2020 and 2019, respectively, are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense and is calculated using a method that approximates the effective interest method.

Concentrations of Business and Credit Risk The Partnership may have exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance. The Partnership believes that its credit risk is not significant.

The Partnership was granted an exemption from real property taxes with the Alameda County Assessor, which must be renewed annually. In the event the County Assessor does not grant the exemption, the Partnership's cash flow would be adversely impacted.

The Partnership rents to people with qualifying levels of income who work primarily in Alameda, California. The Partnership is subject to business risks associated with the future funding of governmental public assistance, which affects occupancy as well as tenant's ability to make rental payments.

Estimates The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

COVID-19 Pandemic During 2020, the COVID-19 pandemic continued to rapidly evolve. Mandates from federal, state and/or local authorities to mitigate the spread of the virus have adversely impacted global commercial activity and contributed to significant volatility in financial markets. However, the pandemic to date has not had a significant impact on the operations of the Project. Although some tenants requested some form of rent deferral, such deferrals of rent were not material. Its duration, severity and the potential impact on the general population, the Project tenants, the onsite personnel, and the potential changes in tenant preferences for living arrangements, are among the many unknowns and could materially impact the future results of operations, financial condition, liquidity, and overall performance of the Project.

2. RESERVES

Operating Reserve The Partnership Agreement and loan agreements require an initial funding of an operating reserve of \$105,080 to be funded upon payment of the Third and Fifth Installments of the Limited Partner's Capital Contribution of \$50,000 and \$55,080, respectively. During 2019, \$50,000 of the operating reserve was funded from the Third Installment of the Limited Partner's capital contribution. Deposits to the operating reserve will be made from Cash Flow in order to maintain a balance of \$105,800.

Transition Reserve The Partnership Agreement and loan agreements require an initial funding of a transition reserve of \$675,000 from the Limited Partner capital contributions to be funded upon payment of the Fifth, Sixth, and Seventh Installments of the Limited Partner's Capital Contribution of \$150,000, \$216,000, and \$309,000, respectively, none of which has occurred as of December 31, 2020.

Replacement Reserve The Partnership Agreement and loan agreements require an annual replacement reserve of \$600 per unit (\$12,000 annually), with funding commencing in August 2019.

Impounds – Taxes and Insurance The Partnership is required to make monthly impound deposits to cover insurance premiums and property taxes.

The following describes the activity in the reserve accounts during 2020 and 2019:

	Balance 1/1/20	Deposits	Withdrawals/ Fees	Interest Earned	Balance 12/31/20
Operating reserve	\$ 50,023	\$ -	\$ -	\$ 45	\$ 50,068
Replacement reserve	4,000	12,000	-	-	16,000
Impounds – taxes and insurance	14,690	15,504	(16,325)	-	13,869
Total	\$ 68,713	\$ 27,504	\$ (16,325)	\$ 45	\$ 79,937

	Balance 1/1/19	Deposits	Withdrawals/ Fees	Interest Earned	Balance 12/31/19
Operating reserve	\$ -	\$ 50,000	\$ -	\$ 23	\$ 50,023
Replacement reserve	-	4,000	-	-	4,000
Impounds – taxes and insurance	-	14,690	-	-	14,690
Total	\$ -	\$ 68,690	\$ -	\$ 23	\$ 68,713

3. GROUND LEASE AGREEMENT – HACA

On June 1, 2017, the Partnership entered into a Ground Lease Agreement (the Agreement) to lease land owned by HACA. The Agreement, which expires June 1, 2116, provides for a prepaid ground lease payment of \$9,900. The prepaid ground lease payment is reflected as prepaid ground lease in the accompanying balance sheets and is amortized over the life of the Agreement commencing in January 2019. The Partnership incurred ground lease expense of \$60 and \$60 for the years ended December 31, 2020 and 2019, respectively.

4. DEFERRED COSTS

Deferred costs consist of deferred ground lease costs and TCAC fees. Deferred ground lease costs are amortized over the life of the ground lease (99 years), commencing in January 2019. TCAC fees are amortized over 15 years, commencing in January 2019. Deferred costs are as follows:

As of December 31,	2020	2019
TCAC fees	\$ 43,741	\$ 43,741
Deferred ground lease costs	5,933	5,933
Less: accumulated amortization	(6,471)	(3,495)
Total deferred costs, net	\$ 43,203	\$ 46,179

5. NOTES PAYABLE

As of December 31,	2020	2019
<p>Note payable to JPMorgan Chase Bank, N.A. (Chase Loan), a national banking association, provides construction financing in the maximum amount of \$9,859,528. The note is secured by a Construction and Permanent Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing. The note provides for interest only payments based on adjusted one-month LIBOR plus 1.85% per annum through the Conversion Date. In July 2019, the construction loan was partially paid off with the Limited Partner's capital contributions, with the remaining balance converted into a permanent loan of \$3,330,168. The permanent loan bears interest at 5.55% and requires monthly payments of principal and interest of \$17,993. The note will mature on September 21, 2039.</p>	\$ 3,291,482	\$ 3,320,768
<p>Note payable to the City of Alameda (HOME Loan), secured by a subordinated Leasehold Deed of Trust, Assignment of Rents, and Security Agreement and Fixture Filing, borrowings up to \$153,282, simple interest at 3.00% per annum, payable from Residual Receipts; unpaid principal and interest are due on December 31, 2074.</p>	153,282	153,282
<p>Note payable to HACA (HACA Loan), in the original amount of \$4,250,000, secured by a Leasehold Deed of Trust, Assignment of Rents, and Security Agreement and Fixture Filing, interest at 2.68%, compounded annually; principal and interest payable annually from Residual Receipts; unpaid principal and interest is due December 31, 2074.</p>	4,250,000	4,250,000
<p>Note payable to County of Alameda (County Loan), in the maximum amount of \$1,000,000, secured by a subordinated Leasehold Deed of Trust, Assignment of Rents, and Security Agreement and Fixture Filing, simple interest at 3.00%, payable from Residual Receipts and unpaid principal and interest are due on December 31, 2074.</p>	1,000,000	950,000
Total notes payable	8,694,764	8,674,050
Less: unamortized debt issuance costs	(122,216)	(126,802)
Total notes payable, net	\$ 8,572,548	\$ 8,547,248

At December 31, 2020, anticipated principal repayments of notes payable are as follows:

For the Year Ending December 31,	Amount
2021	\$ 31,511
2022	33,330
2023	35,255
2024	36,778
2025	39,414
Thereafter	8,518,476
Total	\$ 8,694,764

The HOME Loan, HACA Loan, and County Loan are payable based on available Residual Receipts, as defined in the respective loan agreements. The percentage of Residual Receipts shall be paid as follows: 2.84% to the HOME Loan, 78.65% to the HACA Loan, and 18.51% to the County Loan.

An analysis of accrued interest for 2020 and 2019 is as follows:

	Accrued Interest 1/1/20	Interest Expense	Interest Paid	Accrued Interest 12/31/20
Chase Loan	\$ 15,870	\$ 186,627	\$ (186,627)	\$ 15,870
HOME Loan	4,737	4,598	-	9,335
HACA Loan	289,423	121,657	-	411,080
County Loan	17,338	29,625	-	46,963
	<u>\$ 327,368</u>	<u>342,507</u>	<u>\$ (186,627)</u>	<u>\$ 483,248</u>
Amortization of debt issuance costs		4,586		
Total interest expense		<u>\$ 347,093</u>		

	Accrued Interest 1/1/19	Interest Expense	Interest Paid	Accrued Interest 12/31/19
Chase Loan	\$ 23,982	\$ 290,720	\$ (298,832)	\$ 15,870
HOME Loan	2,227	2,510	-	4,737
HACA Loan	171,944	117,479	-	289,423
County Loan	-	17,338	-	17,338
	<u>\$ 198,153</u>	<u>428,047</u>	<u>\$ (298,832)</u>	<u>\$ 327,368</u>
Amortization of debt issuance costs		39,676		
Total interest expense		<u>\$ 467,723</u>		

6. RELATED PARTY TRANSACTIONS

Developer Fee The Partnership has entered into a joint developer fee agreement with HACA and an affiliate of the General Partner (collectively, the Developer) to receive a fee of \$875,000 for its development services. The unpaid developer fee is expected to be paid from future Limited Partner capital contributions and Cash Flow. The developer fee shall be paid in full on or before December 31, 2032. As of December 31, 2020 and 2019, \$342,678 remains unpaid.

Investor Services Fee In accordance with Partnership Agreement, the Limited Partner, is to receive an annual investor services fee of \$5,000 for the promotion of efficient communications and favorable relationships between the Partnership and Limited Partner, commencing the later of 2018 or the first calendar year the Partnership receives rental income. The fee shall increase by 3% per year and will be payable from Cash Flow. Investor services fees of \$5,305 and \$5,567 were incurred and paid in 2020 and 2019, respectively.

Partnership Administration Fee In accordance with the Partnership Agreement, the General Partner is to receive an annual partnership administration fee of \$10,000 for supervisory services to cause the Project to operate efficiently, among other things, commencing the later of 2018 or the first calendar year the Partnership receives rental income. The fee shall increase by 3% per year and will be payable from Cash Flow. Partnership administration fees of \$10,300 and \$10,000 were incurred in 2020 and 2019, respectively; of which \$20,300 and \$10,000 was unpaid as of December 31, 2020 and 2019, respectively.

Rental Subsidies The Project has entered into a Housing Assistance Payment (HAP) contract with HACA. The current term of the HAP contract is for the period commencing December 2018 and shall run for a period of twenty years. The contract is subject to renewal as it expires. In accordance with the HAP contract, the amount of each tenant's subsidy varies depending on the income of each tenant. The aggregate amount earned under the HAP contract was \$376,242 and 375,727 for the years ended December 31, 2020 and 2019, respectively.

7. CAPITAL CONTRIBUTIONS

Pursuant to the Partnership Agreement, the General Partner will make capital contributions of \$100. Subject to certain adjustments as defined in the Partnership Agreement, the Limited Partner anticipates making capital contributions of \$7,496,000. Through December 31, 2020, the Partnership has received \$6,714,920 in Limited Partner capital contributions and anticipates receiving the balance through 2031.

8. INCOME TAXES AND LOW-INCOME HOUSING TAX CREDITS

The Partnership is a pass-through entity for income tax purposes and all items of income and losses of the Partnership are reported by the partners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. The Partnership is required to file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. The Partnership is subject to income tax examinations by tax authorities prior to 2016. There are no tax examinations currently pending.

The Partnership has received an allocation of federal low-income housing tax credits from TCAC, which are available only to the extent the Partnership complies with the Internal Revenue Service's tax credit regulations. The General Partner is responsible to ensure that the Partnership satisfies such requirements and has made certain guarantees to the Limited Partner, which are defined in the Partnership Agreement.

9. PURCHASE OPTION AND RIGHT OF FIRST REFUSAL

The Partnership has granted its General Partner a buyout option and right of first refusal to purchase the Project or the Limited Partner's interest. The buyout option shall become available following the end of the Compliance Period and only if the General Partner has satisfied all obligations under the Partnership Agreement. The purchase price under this option is the greater of the fair market value of the Limited Partner's interest or the Project as of the date of the Buyout Notice or \$1 plus all federal, state, and local taxes attributable to such sale, plus all unpaid amounts due to the Limited Partner pursuant to the terms of the Partnership Agreement. The right of first refusal shall be granted to the General Partner for a period of 90 days before the Partnership can transfer, sell, alienate, assign, give, bequeath, or otherwise dispose of the Project. The purchase price under the right of first refusal is equal to the sum of the principal amount of all outstanding indebtedness secured by the Project, all other loans from the General Partner or its Affiliates, and any accrued interest on any of such debt; all federal, state, and local taxes attributable to such sale; and all unpaid amounts to the Limited Partner pursuant to the terms of the Partnership Agreement.

10. GENERAL PARTNER GUARANTEES

In connection with the development and operations of the Project, the General Partner and an affiliate have made certain guarantees, including an obligation to perform the General Partner's Partnership management duties, complete development of the Project, and provide Operating Deficit Loans, as defined in the Partnership Agreement.

11. CASH FLOW PAYMENT PRIORITIES

Payment of fees and other expenses contingent on Cash Flow, as defined by the Partnership Agreement, and distributions to partners from Cash Flow shall be disbursed as follows:

- First, to the Limited Partner, an amount equal to the Credit Deficiency;
- Second, to the Limited Partner, an amount sufficient to pay federal income taxes on taxable income allocated to the Limited Partner for such Fiscal Year by the Partnership, assuming the Limited Partner is subject to the maximum corporate federal income tax rate then in effect;
- Third, to pay the investor services fee;
- Fourth, from and after the Fifth Installment of the Limited Partner's capital contribution, to fund the operating reserve up to the operating reserve amount;
- Fifth, to the Developer to pay any unpaid balance on the deferred developer fee;

- Sixth, to the General Partner to repay any Operating Deficit Loan;
- Seventh, to pay the partnership administration fee;
- Eighth, to make payments on the HOME Loan, HACA Loan, and County Loan to the extent then due thereon; and
- Then, to the Partners in accordance with their Percentage Interests.

12. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events that have occurred through the date of the independent auditor's report, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

SCHEDULE I

EVERETT AND EAGLE L.P.
(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULES OF OPERATING EXPENSES

FOR THE YEARS ENDED DECEMBER 31,	2020	2019
Administrative expenses		
Advertising	\$ -	\$ 3,270
Manager's salaries	21,809	21,191
Manager's unit	20,612	-
Office supplies	1,171	1,749
Professional fees - accounting	23,675	37,431
Professional fees - legal	1,123	7,079
Property management fees	14,003	13,200
Telephone expense	2,431	3,577
Tenant services	45,470	33,077
Miscellaneous administrative	1,362	1,908
Total administrative expenses	\$ 131,656	\$ 122,482
Utilities expenses		
Electricity	\$ 3,071	\$ 6,640
Water and sewer	7,828	3,800
Total utilities expenses	\$ 10,899	\$ 10,440
Operating and maintenance expenses		
Decorating and painting	\$ -	\$ 168
Janitorial supplies	476	703
Maintenance salaries	15,922	16,663
Repairs and maintenance contracts	18,863	17,983
Trash removal	8,582	6,083
Miscellaneous operating and maintenance expenses	157	327
Total operating and maintenance expenses	\$ 44,000	\$ 41,927
Ground lease expense		
Ground lease expense	\$ 60	\$ 60
Total ground lease expense	\$ 60	\$ 60
Taxes and insurance expenses		
Employee benefits	\$ 7,957	\$ 6,675
Payroll taxes	3,288	3,341
Property and liability insurance	15,227	14,827
Real estate taxes	250	125
Worker's compensation	2,506	2,456
Miscellaneous taxes and insurance expenses	1,001	1,600
Total taxes and insurance expenses	\$ 30,229	\$ 29,024

See independent auditor's report.

SCHEDULE II

EVERETT AND EAGLE L.P.
 (A CALIFORNIA LIMITED PARTNERSHIP)
 SCHEDULE OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31, 2020

Operating revenue

Total revenues, including interest	\$ 524,483
Change in tenant accounts receivable	(5,472)
Change in prepaid rents	3,215

Total operating revenue	522,226
--------------------------------	----------------

Less:

Operating expenses	(216,844)
Debt service	(215,913)
Change in restricted funds	(11,179)

Total project expenses	(443,936)
-------------------------------	------------------

Cash Flow	\$ 78,290
------------------	------------------

Distribution of Cash Flow

Investor services fee (paid)	\$ (5,305)
Developer fee payable	(72,985)

Total distribution of Cash Flow	\$ (78,290)
----------------------------------------	--------------------

See independent auditor's report.

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2020 AND 2019



SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
TABLE OF CONTENTS
DECEMBER 31, 2020 AND 2019

	<u>Page No.</u>
Independent Auditor's Report	1 – 2
Financial Statements	
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Partners' Capital	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 14
Supplementary Information	15
Schedule of Operating Expenses (Schedule I)	16 – 17
Schedule of Cash Flow (Schedule II)	18



INDEPENDENT AUDITOR'S REPORT

To the Partners of
Sherman and Buena Vista LP:

Report on the Financial Statements

We have audited the accompanying financial statements of Sherman and Buena Vista LP, a California limited partnership (the Partnership), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations, changes in partners' capital, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sherman and Buena Vista LP as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Report on the Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information in Schedules I and II is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Holthouse Carlin & Van Trigt LLP

Los Angeles, California
April 5, 2021

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
BALANCE SHEETS

AS OF DECEMBER 31,	2020	2019
Assets		
Property, at cost		
Leasehold land improvements	\$ 55,099	\$ 55,099
Buildings and improvements	14,111,517	14,111,517
Site work	724,727	724,727
Personal property	288,200	288,200
Total property	15,179,543	15,179,543
Less: accumulated depreciation	(1,077,762)	(632,029)
Property, net	14,101,781	14,547,514
Cash and cash equivalents	481,145	473,965
Tenant accounts receivable	3,285	1,303
Due from affiliate	200	7,836
Prepaid expenses and other assets	23,797	19,270
TCAC refundable deposit	32,855	32,855
Prepaid ground lease	3,272,224	3,306,668
Restricted cash		
Operating reserve	245,668	245,668
Replacement reserve	27,125	11,625
Tenant security deposits	21,750	22,500
TCAC fees, net	39,846	42,911
Total assets	\$ 18,249,676	\$ 18,712,115
Liabilities and Partners' Capital		
Notes payable, net of debt issuance costs	\$ 9,323,802	\$ 9,428,247
Accounts payable and accrued expenses	48,485	46,164
Accrued interest payable	692,807	517,448
Accrued asset management fees	-	7,233
Accrued partnership management fees	21,218	28,933
Developer fee payable	-	40,000
Construction costs payable	-	110,383
Prepaid rents	6,557	7,632
Tenant security deposits liability	21,750	22,500
Total liabilities	10,114,619	10,208,540
Commitments and contingencies (See Notes)		
Partners' capital	8,135,057	8,503,575
Total liabilities and partners' capital	\$ 18,249,676	\$ 18,712,115

See accompanying notes to financial statements.

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31,	2020	2019
Revenues		
Tenant rents	\$ 162,807	\$ 126,845
Rental subsidies	466,742	434,937
Less: vacancies	(19,688)	(2,863)
Net rental revenues	609,861	558,919
Other revenue	2,552	3,546
Total revenues	612,413	562,465
Operating expenses (Schedule I)		
Administrative	153,086	109,584
Utilities	22,917	21,017
Operating and maintenance	55,374	51,150
Ground lease expense	34,444	34,444
Taxes and insurance	33,247	32,865
Total operating expenses	299,068	249,060
Operating income before partnership and financial (income) expenses	313,345	313,405
Partnership and financial (income) expenses		
Interest expense	307,414	355,195
Interest income	(684)	(284)
Asset management fee	5,305	5,150
Partnership management fee	21,218	20,600
Miscellaneous financial expenses	-	11,960
Total partnership and financial (income) expenses	333,253	392,621
Loss before depreciation and amortization	(19,908)	(79,216)
Depreciation	445,733	448,083
Amortization	3,065	3,065
Net loss	\$ (468,706)	\$ (530,364)

See accompanying notes to financial statements.

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

		General Partner		Limited Partner		Total
Balance, December 31, 2018	\$	65	\$	207,899	\$	207,964
Contributions		250,000		8,575,975		8,825,975
Net loss		(53)		(530,311)		(530,364)
Balance, December 31, 2019		250,012		8,253,563		8,503,575
Contributions		-		100,188		100,188
Net loss		(47)		(468,659)		(468,706)
Balance, December 31, 2020	\$	249,965	\$	7,885,092	\$	8,135,057

See accompanying notes to financial statements.

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,	2020	2019
Operating activities		
Net loss	\$ (468,706)	\$ (530,364)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	445,733	448,083
Amortization of TCAC fees	3,065	3,065
Amortization of debt issuance costs	8,216	22,716
Ground lease expense	34,444	34,444
Changes in operating assets and liabilities:		
Tenant accounts receivable	(1,982)	(727)
Due from affiliate	7,636	(7,836)
Prepaid expenses and other assets	(4,527)	(1,615)
Insurance refund receivable	-	25,023
Accounts payable and accrued expenses	2,321	31,931
Accrued interest payable	175,359	146,382
Accrued asset management fees	(7,233)	5,150
Accrued partnership management fees	(7,715)	20,600
Due to affiliate	-	(5,794)
Prepaid rents	(1,075)	6,635
Tenant security deposits liability	(750)	(424)
Net cash provided by operating activities	184,786	197,269
Investing activities		
Expenditures for development and construction costs	(150,383)	(587,010)
Cash used in investing activities	(150,383)	(587,010)
Financing activities		
Proceeds from notes payable	-	2,429,400
Payments on notes payable	(112,661)	(10,392,292)
Expenditures for debt issuance costs	-	(18,155)
Contributions	100,188	8,825,975
Net cash provided by (used in) financing activities	(12,473)	844,928
Net change in cash, cash equivalents, and restricted cash	21,930	455,187
Cash, cash equivalents, and restricted cash at beginning of year	753,758	298,571
Cash, cash equivalents, and restricted cash at end of year	\$ 775,688	\$ 753,758
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 123,839	\$ 186,097

See accompanying notes to financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Sherman and Buena Vista LP (the Partnership) is a California limited partnership, which was formed on June 23, 2016 and subsequently amended and restated on December 1, 2016. The original partners are as follows: Del Monte Senior LLC, a California limited liability company (the General Partner) and the Housing Authority of the City of Alameda, a public body corporate and politic (the Initial Limited Partner). Effective December 1, 2016, the Housing Authority of the City of Alameda withdrew from the Partnership and NEF Assignment Corporation, an Illinois not-for-profit corporation, was admitted as the Limited Partner.

The Partnership is involved in the acquisition, construction, financing, leasing, and operation of a 31-unit multifamily affordable rental housing project located in Alameda, California (the Project), that was placed-in-service on July 31, 2018.

The Partnership has entered into regulatory agreements with the California Tax Credit Allocation Committee (TCAC), The Housing Authority of the City of Alameda (HACA), and the City of Alameda, which will govern the ownership, occupancy, tenant income and rents, and management of the Project.

The Amended and Restated Limited Partnership Agreement (Partnership Agreement) has various provisions which determine, among other things, allocations of profits, losses and distributions to partners, the ability to sell or refinance the Project, loans and guarantees, the rights and duties of the General Partner, and other Partnership matters.

The General Partner and Limited Partner's percentage of interest in profits and losses is generally .01% and 99.99%, respectively.

Basis of Accounting The Partnership's financial statements are presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The accrual method of accounting is used which reflects revenues when earned and expenses as incurred

Revenue Recognition Rental revenues are recognized as rents become due. Rental payments received in advance are deferred until earned. All leases between the Partnership and its tenants are operating leases. Rental revenues reflect the gross potential rent that may be earned. Vacancies are shown separately as a reduction in rental revenue. Other revenue consists of other income from laundry vending, and miscellaneous charges to tenants. Such other revenue is recognized when earned.

Tenant Accounts Receivable Tenant accounts receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. U.S. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Property Management Fee The Partnership entered into a property management agreement with an unrelated entity. The property management agreement provides for a monthly fee equal to \$55 per unit. Property management fees of \$22,128 and \$20,460 were incurred for the years ended December 31, 2020 and 2019, respectively.

Cash, Cash Equivalents, and Restricted Cash For purposes of the balance sheets and statements of cash flows, cash and cash equivalents consist of cash and highly liquid unrestricted investments with an original maturity of three months or less when purchased. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the balance sheets that sum to the totals of the same such amounts presented in the statements of cash flows:

As of December 31,	2020	2019
Cash and cash equivalents	\$ 481,145	\$ 473,965
Restricted cash:		
Operating reserve	245,668	245,668
Replacement reserve	27,125	11,625
Tenant security deposits	21,750	22,500
Cash, cash equivalents, and restricted cash	\$ 775,688	\$ 753,758

Property Property is stated at cost. Depreciation is provided using the straight-line method over the following estimated useful lives:

Description	Life
Leasehold land improvements	99 years
Buildings and improvements	40 years
Site work	20 years
Personal property	5 years

The Partnership capitalizes expenditures or betterments that materially increase asset lives and charges ordinary repairs and maintenance to operations as incurred. When assets are sold or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in operations.

The Partnership reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. When evaluating recoverability, management considers future undiscounted cash flows estimated to be generated by the property including the low-income housing tax credits and any estimated proceeds from the eventual disposition. In the event these accumulated cash flows are less than the carrying amount of the property, the Partnership recognizes an impairment loss equal to the excess of the carrying amount over the estimated fair value of the property. No impairment losses were recognized in 2020 and 2019.

TCAC Fees TCAC fees are amortized over 15 years, which commenced when the Project was placed-in-service.

Debt Issuance Costs Debt issuance costs of \$353,363, net of accumulated amortization of \$235,293 and \$227,077, as of December 31, 2020 and 2019, respectively, are reported as a direct reduction of the obligation to which such costs relate. Amortization of debt issuance costs is reported as a component of interest expense following the placed-in-service date and is calculated using a method that approximates the effective interest method.

Concentrations of Business and Credit Risk The Partnership may have exposure to credit risk to the extent that its cash and cash equivalents exceed amounts covered by federal deposit insurance. The Partnership believes that its credit risk is not significant.

The Partnership was granted an exemption from real property taxes with the Alameda County Assessor, which must be renewed annually. In the event the County Assessor does not grant the exemption, the Partnership's cash flow would be adversely impacted.

The Partnership rents to seniors who mostly depend on social security benefits for their income as well as rental assistance from governmental agencies. The Partnership is subject to business risks associated with the future funding of governmental public assistance, which affects occupancy as well as tenant' ability to make rental payments.

Estimates The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

COVID-19 Pandemic During 2020, the COVID-19 pandemic continued to rapidly evolve. Mandates from federal, state and/or local authorities to mitigate the spread of the virus have adversely impacted global commercial activity and contributed to significant volatility in financial markets. However, the pandemic to date has not had a significant impact on the operations of the Project. Its duration, severity and the potential impact on the general population, the Project tenants, the onsite personnel, and the potential changes in tenant preferences for living arrangements, are among the many unknowns and could materially impact the future results of operations, financial condition, liquidity, and overall performance of the Project.

2. RESERVES

Operating Reserve The Partnership Agreement and loan agreements required an initial funding of an operating reserve of \$245,668 from the Limited Partner capital contributions, which was funded during 2019.

Replacement Reserve The Partnership Agreement and loan agreements require an annual replacement reserve of \$500 per unit (\$15,500 annually), with funding commencing in April 2019.

The following describes the activity in the reserve accounts during 2020 and 2019:

	Balance 1/1/20	Deposits	Interest Earned	Withdrawals/ Fees	Balance 12/31/20
Operating reserve	\$ 245,668	\$ -	\$ -	\$ -	\$ 245,668
Replacement reserve	11,625	15,500	-	-	27,125
Total	\$ 257,293	\$ 15,500	\$ -	\$ -	\$ 272,793

	Balance 1/1/19	Deposits	Interest Earned	Withdrawals/ Fees	Balance 12/31/19
Operating reserve	\$ -	\$ 245,668	\$ -	\$ -	\$ 245,668
Replacement reserve	-	11,625	-	-	11,625
Total	\$ -	\$ 257,293	\$ -	\$ -	\$ 257,293

3. GROUND LEASE AGREEMENT – HACA

On December 1, 2016, the Partnership entered into a Ground Lease Agreement (the Agreement) to lease land owned by HACA. The Agreement, which expires December 31, 2115, provided for a prepaid ground lease payment of \$3,410,000, which is evidenced by a note secured by a leasehold deed of trust (Note 4). The prepaid ground lease payment is reflected as prepaid ground lease in the accompanying balance sheets and is being amortized over the life of the Agreement, commencing upon the start of construction. During 2020 and 2019, the Partnership incurred annual amortization on the prepaid ground lease of \$34,444.

4. NOTES PAYABLE

<u>As of December 31,</u>	<u>2020</u>	<u>2019</u>
Note payable to Compass Bank (Compass Loan), an Alabama banking corporation, provides construction financing in the maximum amount of \$10,322,328. The note is secured by a Construction and Permanent Leasehold Deed of Trust with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing. The note provides for interest only payments based on one-month LIBOR plus 1.80% per annum through the Conversion Date. In February 2019, the construction loan was partially paid off with the Limited Partner's capital contributions, with the remaining balance converted into a permanent loan of \$2,429,400 with California Community Reinvestment Corporation (CCRC). The Partnership entered into a promissory note agreement with CCRC (CCRC Loan) for the permanent loan, with an interest rate of 5.39%, which requires monthly payments of principal and interest, and matures on March 1, 2034.	\$ 2,236,132	\$ 2,348,793
Note payable to the City of Alameda (HOME Loan), secured by a subordinate deed of trust, borrowings up to \$195,740, simple interest at 3.00% per annum, payable from Residual Receipts and unpaid principal and interest are due on April 1, 2073.	195,740	195,740
Note payable to HACA (HACA Loan), in the original amount of \$3,600,000, secured by a Leasehold Deed of Trust, Assignment of Rents, and Security Agreement, interest at 2.26%, compounded annually; principal and interest payable annually from Residual Receipts; unpaid principal and interest is due December 31, 2073.	3,600,000	3,600,000
Note payable to HACA (HACA Ground Lease Loan), in the original amount of \$3,410,000, secured by a Leasehold Deed of Trust, Assignment of Rents, and Security Agreement, interest at 2.26%, compounded annually; principal and interest payable annually from Residual Receipts; unpaid principal and interest is due December 31, 2073.	3,410,000	3,410,000
Total notes payable	9,441,872	9,554,533
Less: unamortized debt issuance costs	(118,070)	(126,286)
Total notes payable, net	\$ 9,323,802	\$ 9,428,247

At December 31, 2020, anticipated principal repayments of notes payable are as follows:

For the Year Ending December 31,	Amount
2021	\$ 118,885
2022	125,454
2023	132,385
2024	139,700
2025	147,419
Thereafter	8,778,029
Total	\$ 9,441,872

The HOME Loan, HACA Loan, and HACA Ground Lease Loan are payable based on available Residual Receipts, as defined in the respective loan agreements. The percentage of Residual Receipts shall be paid as follows: 5.16% to HOME Loan and 94.84% to HACA Loan. Following the repayment in full of the HOME Loan and HACA Loan, 100% of residual receipts is to be allocated to the HACA Ground Lease Loan.

An analysis of interest costs for 2020 and 2019 is as follows:

	Accrued Interest 1/1/20	Interest Expense	Interest Paid	Accrued Interest 12/31/20
CCRC Loan	\$ 10,550	\$ 123,844	\$ (123,839)	\$ 10,555
HOME Loan	17,687	5,872	-	23,559
HACA Loan	251,027	87,033	-	338,060
HACA Ground Lease Loan	238,184	82,449	-	320,633
	<u>\$ 517,448</u>	299,198	<u>\$ (123,839)</u>	<u>\$ 692,807</u>
Amortization of debt issuance costs		8,216		
Total interest expense		\$ 307,414		

	Accrued Interest 1/1/19	Interest Expense	Interest Paid	Accrued Interest 12/31/19
Compass Loan	\$ 35,777	\$ 50,638	\$ (86,415)	\$ -
CCRC Loan	-	110,232	(99,682)	10,550
HOME Loan	11,815	5,872	-	17,687
HACA Loan	165,917	85,110	-	251,027
HACA Ground Lease Loan	157,557	80,627	-	238,184
	<u>\$ 371,066</u>	332,479	<u>\$ (186,097)</u>	<u>\$ 517,448</u>
Amortization of debt issuance costs		22,716		
Total interest expense		\$ 355,195		

5. RELATED PARTY TRANSACTIONS

Developer Fee HACA (the Developer) entered into a Development Fee Agreement with the Partnership and is entitled to receive a developer fee of \$800,000 for its development services. As of December 31,

2019, \$40,000 remained unpaid. During 2020, the developer fee was paid in full from the Limited Partner final capital contribution.

Asset Management Fee In accordance with the Partnership Agreement, the Asset Manager, an affiliate of the Limited Partner, is to receive an annual asset management fee of \$5,000 for property management oversight, tax credit monitoring, and related services. The fee shall increase by 3% per year and is payable from Cash Flow. Asset management fees of \$5,305 and \$5,150 were incurred in 2020 and 2019, respectively. As of December 31, 2020 and 2019, accrued asset management fees were \$0 and \$7,233, respectively.

Partnership Management Fee In accordance with the Partnership Agreement, the General Partner is to receive an annual partnership management fee of \$20,000 for property management oversight, tax credit compliance monitoring and related services. The fee shall increase by 3% per year and is payable from Cash Flow. Partnership management fees of \$21,218 and \$20,600 were incurred in 2020 and 2019, respectively. As of December 31, 2020 and 2019, accrued partnership management fees were \$21,218 and \$28,933, respectively.

Rental Subsidies The Project has entered into a Housing Assistance Payment (HAP) contract with HACA. The contract is subject to renewal as it expires. The current term of the HAP contract is for the period commencing August 2018 and shall run for a period of fifteen years. In accordance with the HAP contract, the amount of each tenant's subsidy varies depending on the income of each tenant. The aggregate amount earned under the HAP contract was \$466,742 and \$434,937 for the years ended December 31, 2020 and 2019, respectively.

Due to Affiliate As of December 31, 2019, included in construction costs payable was \$110,383 of construction and development costs paid by the General Partner on behalf of the Partnership. The amounts were repaid in 2020.

6. CAPITAL CONTRIBUTIONS

Pursuant to the First Amendment to Amended and Restated Limited Partnership Agreement dated February 20, 2019, the General Partner will make capital contributions of \$250,100, as adjusted; all of which were received as of December 31, 2019. Pursuant to the Partnership Agreement, the Limited Partner anticipated making capital contributions of \$9,267,044, subject to certain adjustments as defined in the Partnership Agreement. During 2020, the Limited Partner's total capital contributions was adjusted to \$9,327,232, and the final contribution was received by the Partnership.

7. INCOME TAXES AND LOW-INCOME HOUSING TAX CREDITS

The Partnership is a pass-through entity for income tax purposes and all items of income and losses of the Partnership are reported by the partners on their respective income tax returns. The Partnership's federal tax status as a pass-through entity is based on its legal status as a partnership. The Partnership is required to file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Partnership has no other tax positions which must be considered for disclosure. The Partnership is subject to income tax examinations by tax authorities prior to 2016. There are no tax examinations currently pending.

The Partnership has received an allocation of federal low-income housing tax credits from TCAC, which are available only to the extent the Partnership complies with the Internal Revenue Service's tax credit regulations. The General Partner is responsible to ensure that the Partnership satisfies such requirements and has made certain guarantees to the Limited Partner, which are defined in the Partnership Agreement.

8. PURCHASE OPTION AND RIGHT OF FIRST REFUSAL

The Partnership has granted its General Partner an option and right of first refusal to purchase the project or the Limited Partner's interest. The purchase option shall commence following the close of the 12th year of the low-income housing tax credit compliance period. The purchase price under this option is the greater of the fair market value or the assumption of debt plus all federal and state income taxes due by the limited partner as a result of such sale and any unpaid portion of any credit adjuster payments. The right of first refusal shall be granted following the close of the Compliance period. The purchase price under the right of first refusal is the assumption of debt plus all federal and state income taxes due by the Limited Partner as a result of such sale and any unpaid portion of any credit adjuster payments.

9. GENERAL PARTNER GUARANTEES

In connection with the development and operations of the Project, the General Partner has made certain guarantees, including an obligation to perform the General Partner's Partnership management duties, complete development of the Project, and provide Operating Deficit guaranties as defined in the Partnership Agreement.

10. CASH FLOW PAYMENT PRIORITIES

Payment of fees and other expenses contingent on Cash Flow, as defined by the Partnership Agreement, and distributions to partners from Cash Flow shall be disbursed as follows:

- First, to the Limited Partner to pay unpaid portion of any credit adjuster payments;
- Second, to the Asset Manager to pay any accrued and payable asset management fees;
- Third, to pay any accrued and unpaid principal and interest on loans made by the Limited Partner;
- Fourth, to replenish the operating reserve account up to the Operating Reserve Target Amount of \$245,668;
- Fifth, to the Developer to pay any unpaid balance on the deferred development fee;
- Sixth, to repay any accrued and unpaid principal and interest on loans made by the General Partner;

- Seventh, to the General Partner to repay any amounts treated as loans to the Partnership, without interest, by the General Partner for the Development Completion Guaranty or Operating Deficit Guaranty, as defined in the Partnership Agreement;
- Eighth, \$20,000 (increasing annually at 3%) to the General Partner to pay the partnership management fee, on a cumulative basis;
- Ninth, to the payment of any then payable Cash Flow Debt Service Payments; and
- Tenth, any remaining amounts distributed to the General Partner and the Limited Partner in accordance with their percentage interests.

11. SUBSEQUENT EVENTS

The Partnership has evaluated subsequent events that have occurred through the date of the independent auditor's report, which is the date that the financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

SCHEDULE I

SHERMAN AND BUENA VISTA LP
(A CALIFORNIA LIMITED PARTNERSHIP)
SCHEDULES OF OPERATING EXPENSES

FOR THE YEARS ENDED DECEMBER 31,	2020		2019	
Administrative expenses				
Advertising	\$ 22,133		\$	155
Manager's salaries	27,346			31,821
Manager's unit	20,900			-
Office expense	5,336			10,795
Professional fees - accounting	25,725			21,116
Professional fees - legal	1,320			972
Property management fees	22,128			20,460
Telephone expense	4,313			4,877
Other administrative expenses				
Administrative support	\$ 2,305		\$ 8,141	
Tenant services	19,500		10,422	
Miscellaneous administrative expenses	2,080	23,885	825	19,388
Total administrative expenses		\$ 153,086		\$ 109,584
Utilities expenses				
Electricity	\$ 10,543		\$	9,519
Gas	429			102
Water and sewer	11,945			11,396
Total utilities expenses		\$ 22,917		\$ 21,017
Operating and maintenance expenses				
Exterminating	\$ 2,780		\$	470
Elevator	3,354			1,552
Janitorial supplies	4,479			1,093
Landscaping	4,800			5,420
Maintenance salaries	20,850			26,167
Repairs and maintenance	169			2,215
Decorating and painting	381			-
Trash removal	10,303			9,100
Miscellaneous operating and maintenance expenses				
Fire protection expenses	\$ 2,750		\$ 4,511	
Maintenance contracts - services	3,823		622	
Miscellaneous operating and maintenance expenses	1,685	8,258	-	5,133
Total operating and maintenance expenses		\$ 55,374		\$ 51,150
Ground lease expense				
Ground lease expense	\$ 34,444		\$	34,444
Total ground lease expense		\$ 34,444		\$ 34,444

See independent auditor's report.

SHERMAN AND BUENA VISTA LP
 (A CALIFORNIA LIMITED PARTNERSHIP)
 SCHEDULES OF OPERATING EXPENSES

FOR THE YEARS ENDED DECEMBER 31,	2020		2019	
Taxes and insurance expenses				
Employee benefits	\$	11,121	\$	10,251
Payroll taxes		4,635		5,027
Property and liability insurance		14,138		13,640
Real estate taxes		469		234
Workers' compensation		2,084		2,113
Miscellaneous taxes and insurance expenses				
Miscellaneous taxes	\$	800	\$	1,600
Total taxes and insurance expenses		\$ 33,247		\$ 32,865

See independent auditor's report.

SHERMAN AND BUENA VISTA LP
 (A CALIFORNIA LIMITED PARTNERSHIP)
 SCHEDULE OF CASH FLOW

FOR THE YEAR ENDED DECEMBER 31,	2020
Operating revenue	
Total revenues, including interest	\$ 613,097
Change in tenant receivables	(1,982)
Change in prepaid rents	(1,075)
Total operating revenue	610,040
Less:	
Operating expenses	(299,068)
Mandatory debt service	(236,500)
Replacement reserve deposits	(15,500)
Total project expenses	(551,068)
Cash Flow	\$ 58,972
Distribution of Cash Flow	
Asset management fees (paid)	\$ (5,305)
Partnership management fees	(21,218)
Cash flow debt service	(32,449)
Total distribution of Cash Flow	\$ (58,972)

See independent auditor's report.

STARGELL COMMONS, L.P.

(A California Limited Partnership)

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2020 AND 2019

STARGELL COMMONS, L.P.
(A California Limited Partnership)
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Balance Sheets	3
Statements of Operations	4
Statements of Changes in Partners' Capital	5
Statements of Cash Flows	6
Notes to Financial Statements	8
Supplementary Information.....	18
Schedules of Operating Expenses	19
Computation of Excess/Distributable Cash	20
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	21

* * * *



JAMES M. KRAFT
S. SCOTT SEAMANDS
ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
STANLEY WOO
SCOTT K. SMITH

CRISANTO S. FRANCISCO
JOE F. HUIE

The Partners
Stargell Commons, L.P.
Berkeley, California

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Stargell Commons, L.P., a California limited partnership, which comprise the balance sheets as of December 31, 2020 and 2019 and the related statements of operations, changes in partners' capital and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stargell Commons, L.P. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for years then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, Stargell Commons, L.P. is controlled by its general partner, Stargell Commons LLC, which is controlled by its sole member, Resources for Community Development, a California nonprofit public benefit corporation. Our opinion is not modified with respect to this matter.

As discussed in Note 2 to the financial statements, Stargell Commons, L.P. adopted the new accounting guidance required by accounting principles generally accepted in the United States of America on revenue recognition. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information on pages 19 and 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2021 on our consideration of Stargell Commons, L.P.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Stargell Commons, L.P.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stargell Commons, L.P.'s internal control over financial reporting and compliance.

Lindquist, von Husen and Joyce LLP

April 14, 2021

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 BALANCE SHEETS
 DECEMBER 31, 2020 AND 2019

	2020	2019
ASSETS		
Current assets:		
Cash	\$ 310,177	\$ 261,625
Receivables:		
Tenant receivable – net	261	-
Subsidy receivable	109	270
Prepaid expenses:		
Prepaid ground lease – current portion (Note 3)	4,041	4,041
Other	725	400
Total current assets	315,313	266,336
Restricted cash (Note 4):		
Replacement reserve	56,088	36,811
Investor limited partner operating reserve	201,683	200,063
Operating deficit reserve	102,207	110,535
Resident services reserve	100,194	100,032
Tenant security deposits	31,750	31,750
Prepaid ground lease – net of current portion (Note 3)	375,851	379,892
Property and equipment – net (Note 5)	14,092,995	14,571,512
Deferred costs – net (Note 6)	40,320	46,645
Total assets	\$ 15,316,401	\$ 15,743,576
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable and accrued expenses	\$ 28,847	\$ 24,330
Deferred revenue	5,346	671
Related-party payable (Note 7)	49,732	49,259
Interest payable – current portion (Note 8)	182,693	46,951
Notes payable – current portion (Note 8)	51,061	48,546
Total current liabilities	317,679	169,757
Tenant security deposits	31,750	31,750
Interest payable – net of current portion (Note 8)	250,136	308,171
Notes payable – net of current portion (Note 8)	4,731,601	4,779,068
Total liabilities	5,331,166	5,288,746
Partners' capital:		
Partners' capital	10,055,235	10,524,830
Syndication costs	(70,000)	(70,000)
Total partners' capital	9,985,235	10,454,830
Total liabilities and partners' capital	\$ 15,316,401	\$ 15,743,576

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 STATEMENTS OF OPERATIONS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Income:		
Gross potential rent	\$ 560,495	\$ 528,453
Other income	7,676	6,366
Total income	568,171	534,819
Operating expenses:		
Administrative	104,479	96,384
Utilities	39,614	29,434
Operating and maintenance	81,937	122,390
Taxes and insurance	38,729	28,115
Social services	34,702	34,177
Total operating expenses	299,461	310,500
Operating income	268,710	224,319
Financial, partnership and other expenses:		
Interest (Note 8)	164,593	166,994
Interest – permanent loan costs (Notes 8)	3,593	3,593
GP asset management fee (Note 7)	25,000	25,000
LP asset management fee (Note 7)	8,500	8,500
Tax credit compliance fee (Note 7)	10,927	10,609
Ground lease (Note 3)	4,041	4,041
Miscellaneous financial expenses	4,200	12,600
Total financial, partnership and other expenses	220,854	231,337
Depreciation	478,517	478,397
Amortization	6,325	6,324
Net loss	\$ (436,986)	\$ (491,739)

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.

(A California Limited Partnership)

STATEMENTS OF CHANGES IN PARTNERS' CAPITAL

YEARS ENDED DECEMBER 31, 2020 AND 2019

	<i>General Partner^a</i>	<i>Investor Limited Partner^b</i>	<i>Class B Limited Partner^c</i>	<i>Syndication Costs</i>	<i>Total</i>
Partnership interest	1.0%	98.9%	0.1%	-	100%
Balance, December 31, 2018	\$ (21,149)	\$ 11,050,662	\$ -	\$ (70,000)	\$ 10,959,513
Capital distribution	(129)	(12,802)	(13)	-	(12,944)
Net loss of 2019	(5,422)	(486,330)	13	-	(491,739)
Balance, December 31, 2019	(26,700)	10,551,530	-	(70,000)	10,454,830
Capital distribution	(325)	(32,251)	(33)	-	(32,609)
Net loss of 2020	(4,840)	(432,179)	33	-	(436,986)
Balance, December 31, 2020	\$ (31,865)	\$ 10,087,100	\$ -	\$ (70,000)	\$ 9,985,235

^a *Stargell Commons LLC*^b *Wells Fargo Affordable Housing Community Development Corporation*^c *Island City Development**The accompanying notes are an integral part of these financial statements.*

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash flows from operating activities:		
Net loss	\$ (436,986)	\$ (491,739)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	484,842	484,721
Interest – amortization of permanent loan costs	3,593	3,593
Amortization of ground lease	4,041	4,041
(Increase) decrease in assets:		
Tenant receivable	(261)	-
Subsidy receivable	161	(270)
Prepaid expenses	(325)	
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	4,517	6,462
Related-party payables	473	(10,476)
Deferred revenue	4,675	(47)
Interest payable	77,707	54,219
Net cash provided by operating activities	142,437	50,504
Cash flows from investing activities:		
Purchase of property and equipment	-	(4,807)
Net cash used in investing activities	-	(4,807)
Cash flows from financing activities:		
Payment of capital distribution	(32,609)	(12,944)
Payment of notes payable	(48,545)	(79,694)
Payment of development payable	-	(1,000)
Net cash used in financing activities	(81,154)	(93,638)
Net increase (decrease) in cash and restricted cash	61,283	(47,941)
Cash and restricted cash, beginning of year	740,816	788,757
Cash and restricted cash, end of year	\$ 802,099	\$ 740,816

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 STATEMENTS OF CASH FLOWS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash	\$ 310,177	\$ 261,625
Restricted cash:		
Replacement reserve	56,088	36,811
Investor limited partner operating reserve	201,683	200,063
Operating deficit reserve	102,207	110,535
Resident services reserve	100,194	100,032
Tenant security deposits	<u>31,750</u>	<u>31,750</u>
Total cash and restricted cash shown in the statements of cash flows	<u>\$ 802,099</u>	<u>\$ 740,816</u>
Supplementary information:		
Cash paid for interest – net of capitalized portion	<u>\$ 86,886</u>	<u>\$ 112,775</u>

The accompanying notes are an integral part of these financial statements.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Stargell Commons, L.P. (Stargell) was formed as a limited partnership under the laws of the State of California on February 20, 2015 to acquire, construct, maintain, and operate four residential buildings consisting of 32 residential units located in Alameda, California, which is currently operating under the name of Stargell Commons (the Project). The Project was placed in service in June 2017. The tax credit allocation date was June 10, 2015.

Stargell is controlled by its general partner, Stargell Commons LLC, which is controlled by its sole member, Resources for Community Development (RCD), a California nonprofit public benefit corporation. The investor limited partner is Wells Fargo Affordable Housing Community Development Corporation, and Island City Development is the class B limited partner.

The Project was built on land owned by and leased from the Housing Authority of the City of Alameda (the Housing Authority). Under the terms of lease, title to the improvements reverts to the lessor at the end of the 99-year lease term (see Note 3).

Development costs were partially financed by the Housing Authority of the City of Alameda loan, County of Alameda loan, the City of Alameda loan, and the RCD Sponsor loan. Construction financing was provided by Wells Fargo Bank, N.A. (Wells Fargo Bank). Permanent financing was obtained from the conversion of the Wells Fargo Bank construction loan into permanent financing of \$967,907, and the rollover of the Housing Authority loan, County of Alameda loan, City of Alameda loan, and RCD Sponsor loan.

The Project participates in the low-income housing tax credit program under Section 42 of the Internal Revenue Code as modified by the State of California. Various loan, regulatory and other agreements dictate the maximum income levels of new tenants and provide rent and other restrictions through 2114.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

Stargell uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Rental income is shown at its maximum gross potential. Vacancy loss is shown as a reduction in rental income. Rental units occupied by employees are included in rental income and as an expense of operations.

During 2020, Stargell adopted the new accounting standard required by accounting principles generally accepted in the United States of America that affects the recognition of revenue. Stargell's revenue is mainly derived from leases, which are not impacted by the new revenue recognition standard. The new revenue recognition standard applies to Stargell's other income. However, such income generally is ancillary to the lease proceeds and is recognized as revenue at the point in time such income or fees are earned. Therefore, adopting this standard did not have a significant impact on Stargell's revenue recognition policies.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

Cash and Restricted Cash

Cash is defined as cash in demand deposit accounts as well as cash on hand. Restricted cash are funds restricted as to their use, regardless of liquidity, such as replacement reserve, investor limited partner operating reserve, operating deficit reserve, resident services reserve and tenant security deposits. Stargell occasionally maintains cash on deposit at banks in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance, including restricted accounts, was approximately \$306,000 as of December 31, 2020. Stargell has not experienced any losses in such accounts.

Accounts Receivable

Stargell records an allowance for doubtful collections based on a review of outstanding receivables, historical collection information, and existing economic conditions. The allowance for doubtful collections were \$1,009 and \$0- as of December 31, 2020 and 2019, respectively.

Property and Equipment, and Deferred Costs

Property and equipment are stated at cost of acquisition or construction. The costs of maintenance and repairs below \$5,000 that neither significantly add to the permanent value of property and equipment nor prolong its intended useful life are charged to expense as incurred. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets.

Deferred costs are incurred in order to obtain tax credits for the Project. Deferred costs are stated at cost and amortized on a straight-line basis over the 10-year tax credit period. Organization costs are expensed as incurred.

The useful lives of the assets are estimated as follows:

Buildings and improvements	40 years
On-site improvements	15 years
Offsite improvements	15 years
Furniture, fixtures and equipment	7 years
Tax credit costs	10 years

Stargell reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated by the rental property, including the low-income housing tax credits and any estimated proceeds from the eventual disposition of the property and equipment. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property and equipment exceeds the fair value of such property. There were no impairment losses recognized in 2020 and 2019.

Permanent Loan Costs

Costs incurred in order to obtain permanent financing are stated at cost and amortized on a straight-line basis into interest expense over the term of the loan. Permanent loan costs are reported as a direct deduction from the face amount of the related debt.

Ground Lease

The ground lease payments are stated at cost and amortized on a straight-line basis over the lease term.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

Income Taxes

No provision for federal and state income taxes is included in the financial statements. The income or loss of Stargell is reported by the partners on their income tax returns.

Stargell believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. Stargell's federal and state income tax returns for the years 2016 through 2019 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

Allocation of Partnership Income/Loss and Tax Credits

Stargell is expected to generate low-income housing credits, which will be allocated in the same manner as the income or loss of Stargell. Because the limited partners' losses are limited to their investments, the limited partners' equity will not be reduced below zero unless future capital contributions will be made in an amount sufficient to absorb the losses. All remaining losses are allocated to the general partner. Any subsequent income allocable to the limited partners are allocated to the general partner first until the general partner's share of that income offsets the losses not previously recognized by the limited partners.

Subsequent Events

Management has evaluated subsequent events through April 14, 2021 the date on which the financial statements were available to be issued.

NOTE 3 – GROUND LEASE

On November 24, 2015, Stargell entered into a ground lease agreement to lease the land on which the Project was built from the Housing Authority, an affiliate of the class B limited partner. The lease expires on December 31, 2114, and upon the expiration or termination of the lease, the title to improvements and all alterations, additions, equipment and fixtures shall be reverted to the Housing Authority without any additional costs. The lease requires a one-time initial rent payment of \$400,000 at construction closing date and annual payments of \$1 payable on January 1st commencing 2016. Stargell prepaid the entire amount of rent \$400,099 at the closing date of the construction financing for the Project. Total lease payments are amortized on a straight-line basis over the 99-year lease term. Ground lease rent expense was \$4,041 for both 2020 and 2019. Prepaid ground lease was \$379,892 and \$383,933 for 2020 and 2019, respectively.

NOTE 4 – RESTRICTED CASH

Replacement Reserve

Stargell is required to maintain a reserve for replacement and repair of property and equipment in accordance with the partnership agreement and other lenders' regulatory agreements. The reserve is required to be funded on a monthly basis at an annual rate of \$19,200 commencing February 2018, the month of permanent loan conversion. Withdrawals from the replacement reserve in excess of \$10,000 are subject to approval by the investor limited partner and Wells Fargo Bank, permanent lender.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

Investor Limited Partner Operating Reserve

Stargell is required to maintain an investor limited partner operating reserve in accordance with the partnership agreement and other lenders' regulatory agreements. In 2018, the reserve was funded with an initial deposit of \$200,000 using proceeds from the limited partner's performance installment of capital contribution. The reserve is also required to make annual deposits of at least 2% of gross rent until the operating reserve balance reaches an amount equaling to six months of annual operating expenses including debt services. If the balance falls below \$100,000, the reserve shall be replenished from excess/distributable cash (see Note 10). Withdrawals from the operating reserve are subject to approval by the investor limited partner and Wells Fargo Bank.

Operating Deficit Reserve

Stargell is required to maintain an operating deficit reserve to fund annual asset management fees payable to the investor limited partner in accordance with the partnership agreement. In 2018, the reserve was funded with an initial deposit of \$127,500 using the proceeds from performance installment of the limited partner capital contribution. No additional deposits are required. Withdrawals up to \$8,500 per year are allowed to pay the LP asset management fee.

Resident Services Reserve

Stargell is required to maintain a supportive services reserve for the exclusive use for resident services at the Project in accordance with the partnership agreement and other lenders' regulatory agreements. In 2018, the reserve was funded with an initial deposit of \$100,000 using proceeds from the limited partner's performance installment of capital contribution. No additional deposits are required.

Tenant Security Deposits

Stargell is required to hold security deposits in a separate bank account in the name of the Project.

In accordance with provisions of the agreements, restricted cash is held in separate bank accounts. Details follow:

	<i>Replacement Reserve</i>	<i>Operating Reserve</i>	<i>Operating Deficit Reserve</i>	<i>Resident Services Reserve</i>
Balance, December 31, 2018	\$ 16,000	\$ 200,000	\$ 119,000	\$ 100,000
Deposits	19,200	-	-	-
Other deposits ⁽¹⁾	1,600	-	-	-
Withdrawal ⁽²⁾	-	-	(8,500)	-
Interest	11	63	35	32
Balance, December 31, 2019	36,811	200,063	110,535	100,032
Deposits	19,200	-	-	-
Other deposits ⁽¹⁾	-	1,294	-	-
Withdrawal ⁽²⁾	-	-	(8,500)	-
Interest	77	326	172	162
Balance, December 31, 2020	<u>\$ 56,088</u>	<u>\$ 201,683</u>	<u>\$ 102,207</u>	<u>\$ 100,194</u>

⁽¹⁾ Management deposited an additional \$1,294 and \$1,600 in 2020 and 2019, respectively, to satisfy the 2019 and 2018 funding requirement.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

- (2) Management withdrew \$8,500 each in 2020 and 2019 for the LP asset management fee of 2019 and 2018, respectively. The payment for the 2020 LP asset management fee will be withdrawn in 2021.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows:

	2020	2019
Land improvements	\$ 324,134	\$ 324,134
Buildings and improvements	13,706,354	13,706,354
On-site improvements	1,368,759	1,368,759
Offsite improvements	216,320	216,320
Furniture, fixtures and equipment	211,306	211,306
	<u>15,826,873</u>	<u>15,826,873</u>
Less: accumulated depreciation	<u>(1,733,878)</u>	<u>(1,255,361)</u>
Total property and equipment	<u>\$ 14,092,995</u>	<u>\$ 14,571,512</u>

NOTE 6 – DEFERRED COSTS

Deferred costs are summarized as follows:

	2020	2019
Tax credit costs	\$ 63,247	\$ 63,247
Less: accumulated amortization	<u>(22,927)</u>	<u>(16,602)</u>
Total deferred costs	<u>\$ 40,320</u>	<u>\$ 46,645</u>

NOTE 7 – RELATED-PARTY TRANSACTIONS

Related-party transactions include the following fees and charges:

<u>Payable/Paid to</u> Description	<u>Payable at</u> <u>December 31,</u> <u>2020</u>	<u>2020 Expense</u> <u>(Payment)</u>	<u>Payable at</u> <u>December 31,</u> <u>2019</u>	<u>2019 Expense</u> <u>(Payment)</u>
<i>Resources for Community Development</i>				
Resident services coordination fee ⁽¹⁾	\$ 5,305	\$ 5,305 (5,150)	\$ 5,150	\$ 5,150 (5,000)
<i>Stargell Commons LLC</i>				
GP asset management fee ⁽²⁾	25,000	25,000 (25,000)	25,000	25,000 (25,000)
Tax credit compliance fee ⁽³⁾	10,927	10,927 (10,609)	10,609	10,609 (20,235)

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

<u>Payable/Paid to</u> Description	<i>Payable at</i> <i>December 31,</i> <i>2020</i>	<i>2020 Expense</i> <i>(Payment)</i>	<i>Payable at</i> <i>December 31,</i> <i>2019</i>	<i>2019 Expense</i> <i>(Payment)</i>
<u><i>Wells Fargo Affordable Housing Community</i></u>				
<u><i>Development Corporation</i></u>				
LP asset management fee ⁽⁴⁾	8,500	8,500 (8,500)	8,500	8,500 (8,500)
Total	<u>\$ 49,732</u>		<u>\$ 49,259</u>	

- (1) Commencing January 1, 2017, Stargell is required to pay RCD an annual resident services coordination fee, up to \$40,000, subject to 3.5% annual increases, to be paid from the annual operating budget approved by the County of Alameda through December 31, 2032. The amount reflects the portion of that fee paid to RCD beyond the resident services expense shown in operating expenses.
- (2) Commencing January 1, 2017, Stargell is required to pay Stargell Commons LLC an annual GP asset management fee of \$25,000, payable from excess/distributable cash (see Note 10). Unpaid fees carry forward without interest. In no event shall the aggregate annual payment of GP asset management fee, tax credit compliance fee and property management fee exceed 14% of the Project's effective gross income, as defined in the partnership agreement.
- (3) Commencing January 1, 2017, Stargell is required to pay Stargell Commons LLC an annual tax credit compliance fee of \$10,000, subject to 3% annual increases, payable from excess/distributable cash (see Note 10). In no event shall the aggregate annual payment of GP asset management fee, tax credit compliance fee and property management fee exceed 14% of the Project's effective gross income, as defined in the partnership agreement.
- (4) Commencing January 1, 2017, Stargell is required to pay the investor limited partner an annual asset management fee of \$8,500 payable in arrears from excess/distributable cash (see Note 10) to the extent not paid from the operating deficit reserve (see Note 4). Unpaid fees carry forward without interest.

Other

See Note 3 for the ground lease from the Housing Authority.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 – NOTES PAYABLE

Notes payable are secured by the property unless otherwise noted and are consist of the following:

	2020		2019	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Wells Fargo Bank, construction loan, in the maximum amount of \$10,460,000, bore variable interest at USD-LIBOR-BBA rate. Interest only payments were due monthly until the conversion date on February 1, 2018, at which time \$967,907 was converted to a 15-year permanent amortizing loan bearing interest at 5.06%, with monthly principal and interest payments of \$7,684. The loan is to be repaid in full by February 1, 2033. Interest expense was \$43,462 and \$45,863 for 2020 and 2019, respectively.	\$ 3,527	\$ 836,483	\$ 3,732	\$ 885,028
Housing Authority of City of Alameda, in the original amount of \$2,000,000, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by December 2072. Interest expense was \$60,000 for both 2020 and 2019.	222,624	2,000,000	184,030	2,000,000
County of Alameda, in the original amount of \$1,670,664, comprised of Boomerang and HOME funds of \$1,379,337 and \$291,327, respectively, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by May 2072. Interest expense was \$50,120 for both 2020 and 2019.	153,571	1,670,664	121,335	1,670,664
City of Alameda, HOME loan, in the original amount of \$367,043, bears simple interest at 3%, with annual payments from excess/distributable cash (see Note 10) due by May 1 each year commencing 2018. The loan is to be repaid in full by April 2072. Interest expense was \$11,011 for both 2020 and 2019.	53,107	367,043	46,025	367,043

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020		2019	
	<i>Interest Payable</i>	<i>Principal</i>	<i>Interest Payable</i>	<i>Principal</i>
Total	432,829	4,874,190	355,122	4,922,735
Less: unamortized permanent loan costs ⁽¹⁾	-	(91,528)	-	(95,121)
Notes payable – net	432,829	4,782,662	355,122	4,827,614
Less: current portion	(182,693)	(51,061)	(46,951)	(48,546)
Long-term portion	\$ 250,136	\$ 4,731,601	\$ 308,171	\$ 4,779,068

⁽¹⁾ Costs incurred in order to obtain permanent financing were \$103,383 at both December 31, 2020 and 2019. Permanent loan costs are amortized on a straight-line basis into interest expense over the terms of the loans. Interest expenses for amortization of permanent loan costs were \$3,593 for both 2020 and 2019.

After receiving the final capital contributions in late 2018, management determined that a surplus of \$115,485 was available from the development funding sources. Upon consulting with lenders, in August 2020, the Housing Authority of the City of Alameda, Alameda County, and the City of Alameda requested that Stargell distribute the balance of development funding surplus as interest payments in the amount of \$57,203, \$47,784, and \$10,498, respectively. The interest payments were paid to the lenders in January 2021.

Principal payments on notes payable for the next five years are subject to changes in net cash flow and are estimated as follows:

2021	\$ 51,061
2022	53,705
2023	56,486
2024	59,412
2025	62,488

NOTE 9 – COMMITMENTS, CONTINGENCIES AND OTHER MATTERS

Property Management

Property management and accounting services of the Project is contracted with The John Stewart Company through December 2020 for an annual fee of \$22,656 and \$3,648, respectively. The contract converts to a month-to-month term if not extended at the end of the initial term.

Resident Services

Resident social services of the Project are contracted with Operations Dignity through December 2020 for an aggregate amount not to exceed \$30,756 and \$29,921 for 2020 and 2019, respectively. The contract is subject to renewal annually thereafter.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

Operating Deficit Guaranty

The general partner is required to fund operating deficits incurred by Stargell without limitation as to amount prior to making the performance installment, as defined in the partnership agreement. After the performance installment was made in February 2018, the general partner is required to fund operating deficits incurred by Stargell up to \$210,000 in the aggregate. The guaranty will expire provided that: (i) Stargell has maintained an average occupancy of 90% and an average debt service coverage ratio of 1.15 or better for any 12 consecutive month period commencing at least 2 years after the making of the performance installment, (ii) permanent loan closing has occurred, (iii) Stargell has received Forms 8609, (iv) adjuster distributions owed to the investor limited partner, if any, have been made, (v) the current amount in the investor limited partner operating reserve is not less than \$100,000, and (vi) no default by the general partner exists. Such advances will be treated as unsecured loans bearing 10% compounded interest and repayable from excess/distributable cash (see Note 10).

Right of First Refusal

The Housing Authority has a right of first refusal to purchase the Project during the 24-month period commencing on the first day following December 31, 2031, the end of the 15-year tax credit compliance period. The purchase price of the Project, if acquired using the right of first refusal after notice of a bona fide purchase offer, shall be equal to the greater of: (i) \$100; or (ii) the sum of: (a) all outstanding debt secured by the property, plus (b) the sum of: (1) all taxes attributable to the purchase, plus (2) unpaid adjuster distributions, if any, including interest, plus (3) all debts owed to the investor limited partner.

Purchase Options

The Housing Authority has an option to purchase either the Project or the investor limited partner's partnership interest during the twenty-four-month period commencing on the first day following December 31, 2031, the end of the 15-year tax credit compliance period.

The purchase price of the Project shall be equal to the sum of all debts owed to the investor limited partner plus the greater of: (i) the sum of \$1 plus (a) the amount of outstanding debt of Stargell, plus (b) an amount sufficient to distribute to the investor limited partner equal to all taxes incurred by the limited partner attributable to the sale, if the Project were purchased for \$1 plus all outstanding debts of Stargell; or (ii) the fair market value of the Project.

The purchase price of the investor limited partner's partnership interest shall be equal to the sum of all debts owed to the investor limited partner plus the greater of: (i) the sum of \$1 plus (a) the amount of outstanding debt of Stargell, plus (b) an amount sufficient to distribute to the investor limited partner equal to all taxes incurred by the limited partner attributable to the sale, if the Project were purchased for \$1 plus all outstanding debts of Stargell; or (ii) the fair market value of the investor limited partner's partnership interest.

Vulnerability – Impact of COVID-19

The severity of the impact of COVID-19 on Stargell's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on Stargell's stakeholders, all of which are uncertain and cannot be predicted. Stargell's future results could be adversely impacted by delays in rent collection and loan payments. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

STARGELL COMMONS, L.P.
(A California Limited Partnership)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 10 – DISTRIBUTION OF EXCESS/DISTRIBUTABLE CASH

Excess cash, as defined by the partnership agreement and other lenders' regulatory agreements, is distributable as follows:

- (i) First, to the payment of any adjuster distributions payable, in accordance with the limited partnership agreement;
- (ii) Second, to payment of LP asset management fee in the amount \$8,500 per year (to the extent not paid by the operating deficit reserve);
- (iii) Third, to deposit in investor limited partner operating reserve to restore the balance to \$100,000;
- (iv) Fourth, to the payment of any unpaid deferred developer fee;
- (v) Fifth, to payment of GP asset management fee up to \$25,000 per year, provided that the amount when added to (ii), only when the amount in (ii) is paid from distributable cash, does not exceed \$25,000 per year, during the 15-year tax credit compliance period, and in an amount to be approved by the County of Alameda thereafter;
- (vi) Sixth, 50% of the remaining excess cash towards debt service as follows:
 - a) 49.53% to the Housing Authority loan;
 - b) 7.22% to the HOME component of the County loan;
 - c) 34.16% to the Boomerang component of the County loan; and
 - d) 9.09% to the City HOME loan.
- (vii) Seventh, to payment of any unpaid GP asset management fees from all prior years;
- (viii) Eighth, to the payment of any limited partner loans;
- (ix) Ninth, to the payment of any operating deficit loan; and
- (x) Thereafter, to the payment of tax credit compliance fee, in an annual amount of \$10,000, to be increased by 3% annually beginning 2018, to the extent that total property management fee, GP asset management fee, tax credit compliance fee and GP distribution does not exceed 14% of partnership's effective gross income for the year ⁽¹⁾.

Distributable cash, if any, as defined by the partnership agreement, shall be distributed as follows:

- (i) 98.90% to the investor limited partner
- (ii) 1.00% to the general partner; and
- (iii) 0.10% to the class B limited partner.

⁽¹⁾ In the event that the total exceeds 14% of Stargell's effective gross income for the year, the fees and distributions should be reduced in the following order: general partner distribution, tax credit compliance fee, and GP asset management fee.

SUPPLEMENTARY INFORMATION

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 SCHEDULES OF OPERATING EXPENSES
 YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Administrative:		
Conventions and meetings	\$ 9	\$ 693
Advertising and marketing	878	153
Office expenses	11,800	9,262
Property management fee	22,656	21,888
Manager's expenses or superintendent salaries	32,488	30,235
Staff rent-free unit	14,976	14,976
Audit and tax preparation	16,190	13,500
Bookkeeping	3,648	3,648
Bad debts	1,009	-
Miscellaneous	825	2,029
	\$ 104,479	\$ 96,384
Utilities:		
Electricity	\$ 2,568	\$ 1,662
Water	16,814	14,642
Gas	9,739	7,852
Sewer	10,493	5,278
	\$ 39,614	\$ 29,434
Operating and maintenance:		
Payroll	\$ 15,626	\$ 27,626
Supplies	5,382	6,782
Contracts	23,630	51,863
Garbage and trash removal	28,490	27,248
Heating/cooling repairs and maintenance	6,266	4,804
Miscellaneous	2,543	4,067
	\$ 81,937	\$ 122,390
Taxes and insurance:		
Payroll taxes	\$ 3,489	\$ 2,901
Property and liability insurance	27,799	18,494
Fidelity bond insurance	64	59
Workers' compensation	2,384	1,999
Health insurance and employee benefit	2,365	1,842
Miscellaneous	2,628	2,820
	\$ 38,729	\$ 28,115
Social services:		
Resident services payroll	\$ 29,397	\$ 29,027
Resident services coordination fee	5,305	5,150
	\$ 34,702	\$ 34,177

STARGELL COMMONS, L.P.
(A California Limited Partnership)
 COMPUTATION OF EXCESS/DISTRIBUTABLE CASH
 YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Operating income:		
Total income	\$ 568,171	\$ 534,819
Interest income on restricted deposits	(737)	(141)
Adjusted operating income	567,434	534,678
Operating expenses:		
Operating expenses	299,461	310,500
Less: expenses paid with development funds:		
Audit and tax services	-	(10,300)
Security supplies	-	(2,268)
Adjusted operating expenses	299,461	297,932
Adjusted net income	267,973	236,746
Other activities:		
Deposits into reserves	(19,200)	(19,200)
Deposits into reserves subsequent to year end	-	(1,294)
Debt service cost – mortgage	(92,212)	(92,215)
Monitoring fees – Alameda County	(4,200)	(12,600)
Excess/distributable cash	\$ 152,361	\$ 111,437
Uses of excess/distributable cash:		
GP asset management fee	\$ 25,000	\$ 25,000
Debt service – Housing Authority loan interest	31,541	21,406
Debt service – County of Alameda loan interest	26,351	17,884
Debt service – City of Alameda loan interest	5,789	3,929
Tax credit compliance fee	10,927	10,609
Distribution – general partner	528	325
Distribution – investor limited partner	52,173	32,251
Distribution – Class B limited partner	52	33
Total uses	\$ 152,361	\$ 111,437

The annual LP asset management fee is paid from the operating deficit reserve in arrears.



JAMES M. KRAFT
S. SCOTT SEAMANDS
ALEXIS H. WONG
CHARLOTTE SIEW-KUN TAY
CATHY L. HWANG
RITA B. DELA CRUZ
STANLEY WOO
SCOTT K. SMITH

CRISANTO S. FRANCISCO
JOE F. HUIE

The Partners
Stargell Commons, L.P.
Berkeley, California

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Stargell Commons, L.P., which comprise the balance sheet as of December 31, 2020 and the related statements of operations, changes in partners’ capital and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stargell Commons, L.P.’s internal control over financial reporting (internal control) to as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stargell Commons, L.P.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Stargell Commons, L.P.’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stargell Commons, L.P.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of testing of internal control and compliance and the results of testing, and not to provide an opinion on the effectiveness of Stargell Commons, L.P.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stargell Commons, L.P.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindquist, von Husen and Joyce LLP

April 14, 2021

To: Board of Directors
Island City Development

From: Tony Weng & Allyson Ujimori
Senior Project Managers

Date: April 27, 2021

Re: Authorize to allow Comcast Cable Communications Management, LLC and AT&T Services, Inc. access to Rosefield Village

BACKGROUND

Rosefield Village includes new construction of 78 units and renovation of 14 units, totaling 92 units located on the 700 block of Buena Vista Ave. ICD is the developer. The overall project scope includes both, rehabilitation of existing structures and construction of a new building in the middle of the site. In addition to the 78 units, the new central building includes onsite laundry, property management offices, social service coordination offices, a community room, and central courtyard with play structures. Twelve existing units, in five buildings, on the east and west sides of the new building will be renovated, and one house will be converted into a duplex. The Housing Authority is the landowner, lender, and a project-based voucher contract administrator. ICD performs real estate development services for Rosefield Village.

DISCUSSION

As the project progresses through construction, staff is wrapping up negotiations with communications utility companies to ensure that services will be available to tenants upon project completion. This request pertains to an Access Agreement with AT&T and the Xfinity Communities Service Agreement, which will allow the respective company access to the property and units to install and maintain their equipment. The Comcast agreement term is ten years, starting June 1, 2021 with successive, automatic, renewal periods of 90 days. The AT&T agreement's term is five years from when AT&T countersigns, with successive, automatic, one-year renewal periods. We seek authorization to allow Comcast Cable Communications Management, LLC and AT&T Services, Inc. access to the site.

FISCAL IMPACT

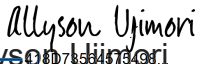
The agreements will have no fiscal impact. Comcast Cable Communications Management, LLC and AT&T Services, Inc. are responsible for installing, maintaining, and operating their equipment.

RECOMMENDATION

1. Authorize access to the Rosefield Village site to Comcast Cable Communications Management, LLC for the purposes of installing and maintaining their equipment and services.
2. Authorize access to the Rosefield Village site to AT&T Services, Inc. for the

purposes of installing and maintaining their equipment and services.

Respectfully submitted,

DocuSigned by:

Allyson Ujimoni
Senior Project Manager

Attachment:

1. Attachment 1 – Xfinity (Comcast) Services Agreement for Rosefield Village
2. Attachment 2 – AT&T Access Agreement for Rosefield Village

XFINITY COMMUNITIES SERVICE AGREEMENT

Service Order

Customer Information

Customer Name:	CONSTITUTION & EAGLE LP	Property Address 1:	727 Buena Vista Avenue
Property Name:	Rosefield Village	Address 2:	
Number of Units:	92	City, State, Zip:	Alameda, CA 94501

Agreement Term

This Agreement begins on 6/1/2021 (“Effective Date”) and shall remain in effect for a term of 10 years from 6/1/2021 (the “Initial Term”). This Agreement shall automatically renew for successive periods of 90 Days (each, a “Renewal Term”), unless either party provides the other with a minimum of 60 days’ notice of its intention not to renew at the end of the then-current term. The Initial Term and each Renewal Term may be collectively referred to herein as the “Term.”

Wiring

Company has non-exclusive use of the home run wiring and non-exclusive use of the home wiring.

WiFi Ready

Company shall install WiFi Equipment to enable its WiFi services. Company shall have the Non-exclusive use of the Media Panels.

Marketing Rights at the Property

Customer’s Marketing Support shall be as follows:

Service	Type of Marketing
TV	No Marketing
Internet	No Marketing
Voice	No Marketing

Notwithstanding anything in the Terms and Conditions to the contrary, Company is not permitted to market using door hangers.

	Courtesy Common Area TV Outlets			
--	---------------------------------	--	--	--

Agreement

This Xfinity Communities Service Agreement (“Agreement”) sets forth the terms and conditions under which Comcast Cable Communications Management, LLC and its operating affiliates (“Company”) will provide residential products and services (collectively, the “Services”) to the customer named above (“Customer”) at the property named above (“Property”). This Agreement consists of this fully executed Service Order (“Service Order”), the General Terms and Conditions (“General Terms”), any attachments included herewith (“Attachments”) and any written amendments to this Agreement executed by both parties (“Amendments”). In the event of an inconsistency among these documents, precedence will be as follows: (1) Amendments, (2) Service Order, (3) Attachments, (4) General Terms. Customer and Company may be collectively referred to herein as the “Parties” or individually as a “Party.” The parties, intending to be legally bound agree to be bound by the terms and conditions set forth in the Agreement. Capitalized terms used but not defined in this Service Order shall be given their meanings set forth in the General Terms and capitalized terms used but not defined in the General Terms shall be given their meaning set forth in this Service Order.

The parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

Customer:

Constitution and Eagle LP
a California limited partnership

By: Rosefield LLC
a California limited liability company
Its: Managing General Partner

By: Island City Development
a California nonprofit public benefit corporation
Its: Sole Manager

Company:

By: _____
Name: Vanessa Cooper
Title: Executive Director

By: _____
Name: Keith Turner
Title: Regional Vice President, Sales and Marketing

ADDRESSES FOR LEGAL NOTICES

To Customer:	To Company:
CONSTITUTION & EAGLE LP 701 Atlantic Ave Alameda, CA 94501	Comcast Cable Communications Management, LLC 3011 COMCAST PLACE, LIVERMORE CA 94551
	With a copy to:
	Comcast Cable Communications Management, LLC 1701 JFK Blvd Philadelphia, PA 19103 Attn: General Counsel – Cable Legal Operations

GENERAL TERMS AND CONDITIONS

1. **Wiring.**

(a) Definitions.

- i. **“Demarcation Points”** means the point or points at which the Distribution System connects to the Home Run Wiring.
- ii. **“Distribution System”** consists of all facilities, equipment or devices that are installed by Company to transmit the Services from the public right of way to the Demarcation Points on the Property, and may include, but not be limited to, distribution cables, amplifiers, pedestals, lock boxes, passive and electronic devices and other equipment. It shall also include any other facilities, equipment or devices installed by Company, other than the Inside Wiring, and used by Company in the provision of Services.
- iii. **“Exclusive Wiring”** means the Distribution System and those portions of the Inside Wiring (if any) indicated as exclusive in the Service Order.
- iv. **“Home Wiring”** means the wiring within each unit from the first splitter or multimedia panel (as applicable) to wall plates.
- v. **“Home Run Wiring”** means the wiring from the Demarcation Points to the first splitter or multimedia panel (as applicable) within each unit.
- vi. **“Inside Wiring”** consists of Home Run Wiring and Home Wiring.
- vii. **“Non-Exclusive Wiring”** means those portions of the Inside Wiring that are not Exclusive Wiring.
- viii. **“System”** consists of the Distribution System and Inside Wiring.

(b) Scope of Work. If either Party is installing, upgrading or re-wiring any portion of the System, a Scope of Work will be attached setting forth the responsibility of the parties regarding such work. The Parties agree to comply with the Scope of Work.

(c) Company Obligations. Any work performed by Company on the Property shall be done in a good and workmanlike manner, in accordance with industry standards, local codes, applicable law, and, Federal Communications Commission (“FCC”) regulations. Company will be responsible for obtaining all necessary permits, licenses and approvals in connection with the Company’s operation and use of the wiring as set forth herein.

(d) Ownership of Wiring. The Distribution System is and will remain the personal property of Company. The Home Run Wiring is and will remain the personal property of Customer. The Home Wiring is and will remain the personal property of Customer or, where units and in-unit wiring are individual owned, the unit owner (“Resident Owned Wiring”).

(e) Use and Maintenance of Wiring. Customer grants Company the exclusive right to operate and use the Exclusive Wiring and the non-exclusive right to operate and use the Non-Exclusive Wiring. The Customer shall not, and shall not knowingly permit any third party to, tap into, use, or otherwise interfere with the Exclusive Wiring. At its expense, Company shall maintain, repair and replace the Exclusive Wiring as necessary to provide the Services. At its expense, Customer shall maintain, repair and replace the Non-Exclusive Wiring. If the Customer fails to maintain the Non-Exclusive Wiring in accordance with Company’s technical specifications, Company shall notify Customer (which may be accomplished by notifying Customer’s on-site personnel) and request the repairs. If the repairs are not made within 30 days after receipt of such notice, Company may (i) suspend

delivery of the Services to the affected units until repairs are made by Customer or (ii) if repairs are not made by Customer within 30 days after notice is provided by Company, Company has the right but not the obligation to repair the cable home run and/or cable home wiring as necessary and charge the Owner for all materials and labor expended by the Company, not to exceed \$500.00 per unit. If the charges exceed \$500.00 Company will obtain prior written approval from Customer before to making repairs.

(f) **Electrical Power.** Customer shall provide electrical power, at Customer's expense, for the Distribution System or Inside Wiring as requested by Company in locations reasonably designated by Company. Company shall have the right (but not the obligation) to install optical network units (each, an "ONU"), modems or other required equipment in units where applicable and deemed necessary by Company. Such equipment shall remain owned by Company, unless otherwise agreed in writing with Customer or a resident. In addition, if requested by Company, Customer shall, at Customer's cost, provide one or more environmentally controlled spaces in mutually agreed upon locations on the Property for distribution facilities.

2. **Delivery of Service.** Customer grants to Company the non-exclusive right to deliver its Services to the Property.

3. **Customer Obligations.**

(a) Customer shall not enter into a bulk agreement with another service provider to services similar to the Services during the Term regardless of the method used to deliver services to the Property. A "bulk agreement" means an agreement between Customer and a third party service provider whereby (i) services are paid for by the Customer and provided to the residents at no charge, on a reduced rate or discounted basis; (ii) services are automatically provided to the residents as an amenity of the Property or (iii) the purchase of services by residents is required as a condition of their occupancy of the Property. However, nothing in this Agreement shall prohibit service providers from providing service to the Property on a retail basis, provided that Customer does not permit a third party to access any facilities, equipment or wiring Company owns or has exclusive rights to use.

(b) Customer shall reasonably cooperate with Company to prevent, but shall not be liable for, the unauthorized access to equipment or Services by residents of the Property. Customer is not responsible for the return of any Company equipment contracted for by residents.

(c) Notwithstanding anything to the contrary contained herein, Company acknowledges that Customer may enter into agreements with other service providers for services similar to the services that are the subject of this Agreement.

4. **Fees and Charges for Services.** For Services provided to residents on a retail basis, the terms, conditions, charges and fees for those Services shall be contained in separate contracts between Company and individual residents. The Customer assumes no liability or responsibility for service charges contracted for by residents.

5. **Access.**

(a) Customer grants Company personnel access to all common areas of the Property during Company's Operating Hours (as defined below) for the purpose of installing, disconnecting and auditing Service and exercising Company's right and obligations under this Agreement. Non-access to a common area during the hours of 7am to 7 pm does not constitute default under the agreement. Customer shall use reasonable efforts to grant Company access to common areas and parts of the Property it does not have direct control over for the same purposes. Company personnel will not enter into any occupied unit without the resident's consent or an adult representative of the resident present. "Operating Hours" means Monday through Sunday, 7:00am to 7:00pm or at any other time that (i) Customer's staff members at the Property give verbal consent for Company to access,

(ii) a maintenance or repair emergency occurs, which includes service outages, or (iii) a resident grants Company personnel access in order to provide or repair services for the resident.

(b) Company, at its expense, agrees to repair any damage to the Property to the extent caused by Company, its employees or agents, normal wear and tear expected. If Company fails to commence repairs to the Property within 45 days of notice, then Customer may undertake the repairs itself and bill the Company for the actual and reasonable costs thereof. Customer, at its expense, agrees to pay the reasonable and actual costs for Company to repair or replace any damage to the Distribution System or Exclusive Wiring to the extent caused by Customer, its employees or agents, normal wear and tear excepted.

6. **Indemnification.** To the extent allowed by applicable law, each party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other party, its officers, directors, personnel, affiliates, lenders, agents and representatives (collectively, the "Indemnified Parties") from and against any and all liability, loss, damage, claim or expense (including reasonable attorneys' fees and costs) (collectively, "Damages") incurred through a third party claim to the extent based on (i) the negligence or willful misconduct of the Indemnifying Party, (ii) the Indemnifying Party's noncompliance with applicable laws (iii) the breach or inaccuracy of any representation or warranty made hereunder by the Indemnifying Party or (iv) any injury (including death), damage or loss to persons or property caused by the Indemnifying Party. The Indemnified Parties agree to provide the Indemnifying Party with sufficient notice of any claim and to provide reasonable cooperation with the Indemnifying Party in the defense of the claim at Indemnifying Party's cost. In the event that the Secretary of the Department of Housing and Urban Development ("HUD") succeeds to the interests of Customer, any obligations of Customer "or its successors and assigns" to indemnify the Company or to hold the Company harmless under this Agreement, and any obligation of Customer to participate in arbitration proceedings, shall be held in abeyance, without prejudice to the Company, until such time as HUD has transferred the property to a new third party owner, who shall be automatically deemed to have assumed all such obligations hereunder effective immediately upon recording of the deed from HUD to the new owner. This Section 5 shall survive termination and expiration of this Agreement for a period of 3 months.

7. **Limitation of Liability.** NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES, INCLUDING DAMAGES FOR LOST PROFITS, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER ARISING UNDER THEORY OF CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

8. **Termination.**

(a) **Default.** In the event either Party defaults in the performance of any of the material terms of this Agreement, the non-defaulting Party shall give the defaulting Party written notice specifying the nature of such default and identifying the specific provision in this Agreement which gives rise to the default. The defaulting Party shall have 60 days to either (i) cure the default or (ii) if such default is incapable of cure within such 60 day period, commence curing the default within such 60 day period and diligently pursue such cure to completion. In the event the defaulting Party fails to do so within such 60 day period, the non-defaulting Party may terminate this Agreement upon 30 days' written notice without further liability of either party.

(b) **Permanent Loss of Authority.** This Agreement shall terminate automatically without any further liability on the part of Company in the event Company lacks authority to continue to provide the Services to the Property due to loss of governmental authorization. This clause, however, shall not apply to periods of transition, such as franchises subject to review, transfer or reapplication, or where termination is the subject of dispute.

9. **Removal of Distribution System.**

- (a) Upon expiration or termination of this Agreement, Company shall have 3 months during which it may remove the Distribution System. Company shall promptly repair any damage to the Property caused by such removal. Any portion of the Distribution System remaining on the Property after the 3 month period shall be deemed abandoned by Company, and ownership shall vest in Customer "AS IS" and "WHERE IS" and Company shall have no further liability therefor.
- (b) Notwithstanding anything to the contrary contained in this Agreement, the removal period referenced in subsection (a) above shall be tolled for as long as Company has the right under applicable law to continue to provide any or all of the Services to any or all of the units on the Property after the termination or expiration of this Agreement, in which case Company shall have the exclusive right to continue to own and use the Distribution System and the non-exclusive right to interconnect with and use the Inside Wiring to provide the Services. This Section shall survive the termination of this Agreement.

10. **Customer Service.** Company will maintain a local or toll-free telephone number, which will be available to its subscribers 24 hours a day, 7 days a week. Company representatives will be available to respond to customer telephone inquiries during normal business hours. Company will begin working on service interruptions promptly and in no event later than the next business day after notification of the service problem, excluding conditions beyond the control of Company.

11. **Marketing Support.** Customer grants Company the right to present Company's Marketing Materials at a location mutually agreed to by the parties. Mutually approved, "Marketing Materials" may include, brochures, channel lineups, service descriptions, and information regarding prices and special offers. Marketing will be non-exclusive, as indicated in the Service Order. Marketing materials shall be provided by Company and delivered to the Property at Company's sole cost.

Website Link

12. **Interference.** If any device or facility on the Property does not comply with the technical specifications established by the FCC, including, but not limited to, signal leakage, which interferes with Company's delivery of the Services, Company reserves the right to discontinue the Services to the non-compliant unit or, at Company's reasonable discretion, to the Property until such non-conformance is cured by Company, Customer or resident, as the case may be.

13. **Changes to Wiring Rights.** In the event applicable law requires (i) Company to permit Customer or a third party to use all or a portion of the Distribution System or (ii) Customer to permit a third party to use all or a portion of the Exclusive Wiring, then such portions of the Distribution System and/or Exclusive Wiring shall be automatically deemed Non-Exclusive Wiring.

14. **Assignability; Binding Effect.** In the event Customer sells, assigns, transfers or otherwise conveys the Property to a third party, Customer shall give Company prior written notice of such change of ownership or control. Customer shall cause any new owner or controlling party to expressly assume this Agreement and agree to be bound by its terms. After such assumption by a new owner or controlling party, Customer shall not be liable for obligations under this Agreement which accrue on or after the date of such assignment. Company may assign this Agreement without the consent of Customer to any entity controlled by or under common control with Company, to any entity acquiring all or substantially all of Company's assets in the franchise area or any surviving entity following a merger, acquisition or consolidation. The assignee shall agree in writing to be bound by all the terms and conditions hereof.

15. **Representations and Warranties.** Each Party represents and warrants to the other that (i) the person entering into this Agreement on its behalf has the legal right and authority to execute, enter into and bind such Party to the

commitments and obligations set forth herein and (ii) it has the right to enter into this Agreement and to grant the rights granted hereunder. Customer represents and warrants that it either owns the property or that it has the authority to grant the rights herein to Company. In the event of a breach of these representations and warranties, Company shall have the right to immediately cease performance under this Agreement and/or terminate this Agreement without further liability to Company.

16. **Miscellaneous Provisions**

- (a) **Subcontractors**. Company may hire or engage one or more subcontractors to perform any or all of its obligations under this Agreement; provided that Company shall in all cases remain responsible for all its obligations under this Agreement. Under no circumstances shall Customer be responsible for making any payments directly to any subcontractor engaged by Company.
- (b) **Insurance**. Company shall maintain workers' compensation insurance with statutory limits and commercial general and automobile liability insurance. The limits of such liability insurance shall be no less than One Million Dollars (\$1,000,000) per occurrence and in the aggregate, and automobile liability limits no less than One Million Dollars (\$1,000,000) per accident and in the aggregate. Upon request, Company will provide Customer with a certificate evidencing such insurance.
- (c) **Force Majeure**. Neither Party shall be liable for its performance delay or failure due to circumstances beyond its reasonable control, including but not limited to, failure of equipment or facilities not owned or controlled by a Party (for example, utility service), denial of access to facilities or rights-of-way essential to serving the Property, natural catastrophes, and government order or regulation, provided the subject party of the force majeure event provides written notice to the other party promptly after the commencement of such force majeure event.
- (d) **Applicable Law**. This Agreement shall be governed and construed in accordance with applicable federal laws and regulations and by the laws of the jurisdiction in which the Property are located, without regard to its choice of law principles.
- (e) **Invalidity**. If any provision of this Agreement is found to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement will not be affected or impaired.
- (f) **Notices**. All notices, demands, requests or other communications given under this Agreement shall be in writing and be given by personal delivery, registered or certified mail, return receipt requested, or nationally recognized overnight courier service to the other Party's address set forth in the Service Order or as may subsequently in writing be requested.
- (g) **Confidentiality**. Except as otherwise required by applicable law, each Party agrees to keep the terms and conditions of this Agreement in strict confidence and shall not divulge any specifics of the same to any third party except current and prospective lenders, purchasers, attorneys, accountants, financial advisors, partners and/or others with a need to know or legal right to know (such as residents of a homeowners association) for Customer or Company to reasonably conduct its business. Company hereby acknowledges and agrees that Customer is subject to the disclosure requirements set forth in the California Public Records Act (California Government Code Section 6250 et seq.)

SCOPE OF WORK

1. Installation or Upgrade of the System. The following tables set forth the responsibilities of the parties with respect to installation of, or upgrade to, the components making up the System. Each party agrees that work performed by it shall be done in a good and workmanlike manner, in accordance with industry standards, local codes, and applicable law. Each Party is responsible for obtaining necessary permits for the work it performs hereunder. The Parties agree to reasonably cooperate regarding their construction and installation schedules. Customer agrees to comply with Company specifications regarding Customer's installation (if any) of any portions of the System. In the event Company determines that any wiring installed by Customer has not been installed in accordance with Company's specifications, Company shall not be required to continue its installation work or provide the Services until Customer's wiring is installed in accordance with its specifications.

DISTRIBUTION SYSTEM				
	Company		Customer	
	Pays for/Provides	Installs/Performs	Pays for	Installs/Performs
Trenching			x	x
Conduit (Pull Strings)			x	x
Pull Boxes			x	x
Cabling	x	x		
Termination/Testing	x	x		
Electronics	x	x		
Cross Connects (all)	x	x		

INSIDE WIRING				
	Company		Customer	
	Pays for/Provides	Installs/Performs	Pays for	Installs/Performs
Conduit/Microducts (Pull Strings)			x	x
Home run wiring			x	x
Home wiring			x	x
In-Unit Media Panels			x	x
Outlets & Wallplates			x	x
Structured Wiring Blocks/Modules			x	x

2. Underground Facilities; Trenches. Prior to Company's installation work, Customer shall provide to Company any plans it has locating underground facilities existing on the Property. Customer shall give Company at least 20 days' notice of the opening of utility trenches on the Property so that Company may, at its option, install its Distribution System in the common utility trenches.
3. Media Panel Specifications. Customer agrees to meet the following specifications with respect to the In-Unit Media Panel.
- a. The Media Panel will be plastic.
 - b. The Media Panel will be reasonably accessible and not obstructed.
 - c. If the Media Panel does not meet the depth requirements below, it will be compatible with a frame extender that provides added depth and will be installed in a location with sufficient space for a frame extender to be added.

d. The interior Media Panel dimensions will not be smaller than:

Dimensions if Comcast is sole provider occupying panel			Dimensions if multiple providers are occupying panel		
Height	Width	Depth	Height	Width	Depth
30"	14"	5"	42"	14"	5"

WiFi Ready Attachment

1. Customer grants Company the right to install in Media Panels in every unit on the Property the equipment and electronics necessary to allow residents to connect to Company's WiFi Service ("WiFi Equipment"). Customer will not tamper with, and will not permit tampering with, the WiFi Equipment, including its connection with power. The WiFi Equipment is and will remain the personal property of Company and the WiFi Service will be part of the Services. The WiFi Equipment includes the equipment and facilities necessary for Company to deliver the Internet Service over WiFi, but does not include the customer devices, such as laptops, tablets, mobile phones, necessary for the resident to receive the Internet Service.
2. Customer shall install or has installed Media Panels in each unit. The Media Panels will meet or exceed the specifications set forth below. Customer shall ensure Company has at least 50% contiguous space in each Media Panel. Customer, at Customer's cost, shall provide Company with electricity and two AC outlets in each Media Panel.

MEDIA PANEL SPECIFICATIONS

- a. The Media Panel will be plastic.
- b. The Media Panel will be reasonably accessible and not obstructed.
- c. If the Media Panel does not meet the depth requirements below, it will be compatible with a frame extender that provides added depth and will be installed in a location with sufficient space for a frame extender to be added.
- d. The interior Media Panel dimensions will not be smaller than:

Dimensions if Comcast is sole provider occupying panel			Dimensions if multiple providers are occupying panel		
Height	Width	Depth	Height	Width	Depth
30"	14"	5"	42"	14"	5"

3. If the Service Order states that Company has the exclusive use of the Media Panels, Customer shall not permit any third party service provider to install equipment in the Media Panels.
4. Upon Company's request, Customer shall provide Company with all necessary Property specific information, including but not limited to, a Property site map, detailed network/infrastructure wiring diagrams, number and makeup of all buildings at the Property and number of Ethernet ports in each unit.
5. In addition to any other marketing rights granted to Company in the Agreement, including any Attachments thereto, Customer agrees to market the WiFi Services to residents by (a) providing information about the WiFi Services to prospective residents and to new residents at the time of lease signing, (b) providing information about enabling the WiFi Services to residents prior to their move in date, (c) ensure each unit has information about the WiFi Services readily available to new residents at unit turn over and (d) include information about the availability of the WiFi Service on Customer's website (if any) ("WiFi Marketing"). Company shall provide Customer with the WiFi Marketing materials.
6. After a resident vacates a unit and before the unit is occupied by another resident, Customer is responsible to ensure the WiFi Equipment is in the Media Panel, is plugged in and is connected to the WiFi Equipment. Customer is required to notify Company if any WiFi Equipment is missing. From time to time, upon request

from Company, Customer shall confirm to Company within 10 business days, that the WiFi Equipment is in each unit and connected power and WiFi Equipment. Customer shall reimburse Company for Company's costs to replace any portion of the WiFi Equipment that is lost, stolen, missing or damaged within 30 days of receipt of an invoice from Company.

**AT&T CONNECTED COMMUNITIES® (“ACC”)
ACCESS AGREEMENT (“AGREEMENT”)
NEW CONSTRUCTION PROPERTY**

This Agreement is by and between **AT&T Services, Inc.**, a Delaware corporation with its principal place of business at 208 S. Akard Street, Dallas, Texas 75202, on behalf of certain affiliated AT&T companies whose products and services AT&T Services, Inc. is authorized to sell (each, an “Affiliate”), (“AT&T”), and **Constitution and Eagle LP**, a California limited partnership, with its principal place of business at 701 Atlantic Avenue, Alameda, California 94501 (“Owner”). AT&T and Owner may be referred to herein individually as a “Party” and collectively as the “Parties”.

WHEREAS, Owner owns the multiple dwelling residential units (each a “Unit”) described in Exhibit A (“Property”), and Owner agrees to provide access to the Property so that AT&T may provide services to residents and prospective residents (“Residents”) of Owner’s Property; under the terms contained herein;

WHEREAS, AT&T is engaged in the business of providing services, including but not limited to, voice, data, wireless and video services (“AT&T Services”) and desires to make such services available to Residents of the Property; and

WHEREAS, Owner desires to give AT&T the right to (a) deploy (install, own, repair, operate, remove, improve, and maintain) its network and/or other wire facilities, innerducts, conduits, raceways, moldings, network cabinets and other related equipment capable of accommodating voice, data and video transmissions and/or other services (“AT&T Facilities”) at the Property, and (b) the right to provide its current and future services, to Residents at the Property.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Term of Agreement: The term of this Agreement (“Term”) shall begin on the date that AT&T countersigns this Agreement (“Effective Date”) and shall expire **five (5) years** thereafter (“Expiration Date”), after which the Agreement shall renew for successive one (1) year Term(s) unless either Party provides the other Party at least thirty (30) days prior notice to the end of the then-current term pursuant to Section 23, Notices and Payments. In the event of a termination, AT&T shall continue to have the rights granted herein to provide services on the Property to its existing customers at the Property.

2. AT&T Services: AT&T Services will be provided pursuant to terms and conditions set forth between AT&T and each Resident. AT&T may price the AT&T Services and offer them in such combinations and/or substitute them with such other products and services as AT&T may determine and AT&T may add or change the AT&T Services name(s), features, components, pricing, terms and conditions, means of delivery, etc., including those of any substitute service at any time. Subject to the Laws (Section 24, below), AT&T may deny the AT&T Services to any Resident, require deposits, or modify its credit terms as it deems appropriate or in accordance with applicable regulatory commission rules and regulations of the state in which the AT&T Service is to be provided. Nothing in this Agreement shall preclude, nor shall Owner restrict, in any way, AT&T from providing direct, AT&T Services-related communications with Residents or prospective Residents.

3. Intentionally Left Blank

4. Facility Provisioning: AT&T shall have the right to provide and maintain AT&T’s Facilities from its Central Office to the wireline voice/VoIP, internet and video (“AT&T Wireline Services”) demarcation point(s) for the Property (“Demarc(s)”), including the Demarcs in the common and business use areas of the Property if Owner makes available the necessary space and power. All of the AT&T Facilities pursuant to this Agreement and used at the Property by AT&T, which are installed at AT&T’s expense (whether by AT&T or on its behalf), shall at all times during and after the Term of this Agreement be and remain the personal property of AT&T and shall not be considered fixtures of the Property. Neither Owner, nor any third party shall have any rights in the AT&T Facilities except as expressly granted in writing by AT&T. If Owner provides Owner-owned conduit in which AT&T cables installed at the Property are placed, Owner shall do so at no cost to AT&T pursuant to AT&T specifications, including without limitation that AT&T shall have the exclusive right to use no less than one innerduct within the conduit. If Owner controls wiring between the Demarcs and the wall jacks inside the Unit, the Owner shall provide and maintain its wire, cable, and connector jacks from the Demarcs to the wall jacks in the Units (“Inside Wire”) and while AT&T is using a specific portion of Inside Wire within a Unit to provide a service to a Resident, Owner shall allow AT&T to be the only user of such portion of Inside Wire. Owner may allow another provider to use an unused portion of Inside Wire at the Property to serve a Resident that is a subscriber to multiple providers or the entire portion of a Resident’s Inside Wire if Resident is not an AT&T customer. AT&T shall have no obligation to provide AT&T Services where the Inside Wire does not meet AT&T’s minimum wiring specifications required to accommodate provision of such AT&T Service. Owner shall use reasonable efforts to 1) keep the AT&T Facilities and any other components required for distribution of the AT&T Service secure and 2) prevent any unauthorized access to or interference with such AT&T Facilities or components. Owner shall require, through any agreements it enters into with, or access rights it provides to, other service providers, that such other service providers will not, in any manner, interfere with or impair the AT&T Services provided by AT&T or otherwise cause damage to, or degradation of the quality or the privacy of, the AT&T Services provided over the AT&T Facilities; provided, however, Owner’s failure to include the aforementioned requirement in an agreement shall not constitute a default hereunder.

4.1 Demarc: Pursuant to FCC Part 68 Rules (47 C.F.R. section 68.105), Property Owner desires and elects that AT&T establish multiple demarcation points at each customer’s premises (i.e., Unit) on the Property (i.e., multi-unit premises), with each demarcation point no further inside the customer’s premises than twelve (12) inches from where the wiring enters the customer’s premises, or as close thereto as practicable. Owner understands and acknowledges that pursuant to 47 C.F.R. § 68.105, Owner may establish separate demarcation points for each customer at the Property, or a single demarcation point for all customers for the entire premises. For this Agreement, Owner hereby agrees for fiber cable to establish multiple demarcation points, at the termination point of the fiber cable at each Unit in the Property as described in Exhibit B.

4.2 Power Outage: In the event AT&T determines the need to provide temporary back-up power during any commercial power outage and limited restoration period thereafter, AT&T may place generators on the Property until power is restored. Owner agrees to work with AT&T on the placement of the generators.

4.3 Relocation of AT&T Facilities:

4.3.1 Owner Requested: Upon the request of Owner, AT&T shall relocate its AT&T Facilities to another portion of the Property, provided that: (i) the proposed new area(s) are specifically identified, reasonably adequate for AT&T's purposes, and are mutually satisfactory to Owner and AT&T; (ii) Owner shall pay all costs of such relocation via payment to AT&T thirty (30) days following receipt of an invoice from AT&T and (iii) Owner shall, at the request of AT&T, obtain all necessary permits and approvals for the relocation.

4.3.2 AT&T Requested: AT&T may relocate its equipment and AT&T Facilities, at its own request and expense, to another portion of the Property only with the prior, express written approval of Owner, not to be unreasonably withheld, conditioned or delayed.

5. Right of Access: Owner will provide employees, agents, and contractors of AT&T reasonable access during Owner's normal business hours, except in case of a service outage emergency or at the request of a Resident for service installation or repair, at no charge, to the Property. This access includes (a) the right for AT&T to deploy (install, own, repair, operate, remove, improve, and maintain) its wire or wireless facilities, innerducts, conduits, raceways, moldings, network cabinets and other related equipment capable of accommodating voice, data, and video transmissions and/or other AT&T Services at the Property; (b) the right to provide its current and future AT&T Services to Residents at the Property and (c) the right to clear the areas where AT&T will be placing AT&T Facilities and to keep the areas cleared of all trees and undergrowth including the right to trim and cut and keep trimmed and cut all dead, weak, leaning, or dangerous trees or limbs outside such areas which might interfere with or fall upon the AT&T Facilities or power transmission or distribution equipment. Unless otherwise required by Laws or as limited herein, all the rights provided in this Section 5, Right of Access shall survive the termination of this Agreement as long as AT&T is serving customers.

5.1 Once there are no customers being served, Owner may send written notice to AT&T requesting either:

5.1.1 AT&T to relinquish its use of all of the Owner's facilities and remove or abandon all AT&T Facilities at the Property not contained within an easement (if applicable). Upon receipt of the notice, AT&T shall have the right within twelve (12) months thereafter to remove any of its AT&T Facilities installed hereunder or to de-activate/render them unusable and abandon them in place. Title to any abandoned AT&T Facilities following such twelve (12) month period will automatically transfer to Owner upon such abandonment. In the event of any such transfer of abandoned AT&T Facilities, Owner may request and AT&T will provide to Owner, within thirty (30) days after AT&T's receipt of written request from Owner to the AT&T address listed in the notice section below, a bill of sale evidencing the transfer of all abandoned AT&T Facilities not contained within an easement (if applicable), which shall be transferred AS IS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF QUANTITY, QUALITY, CONDITION, HABITABILITY, MERCHANTABILITY, SUITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, or;

5.1.2 Owner desires to purchase the AT&T Facilities including any AT&T Facilities on the Property that are located within the easement that serve only the Property, and do not serve any third party's(ies) property(ies), by paying to AT&T a "Transfers Ownership of Network Fee" calculated in accordance with the Table below. Upon Owner's payment to AT&T of such applicable AT&T Transfers Ownership of Network Fee, all ownership and control of the aforementioned AT&T Facilities, free of liens and encumbrances, will immediately pass to the Owner strictly on an "as is" and "where is" basis, with no warranties, and AT&T shall have no further obligations whatsoever with respect to the AT&T Facilities, including without limitation, the care and maintenance, repair, and/or upgrade of any AT&T Facilities.

Table - AT&T Transfers Ownership of Network Fee

Classification of States

South Central: AR, KS, MO, OK, TX

North Central: IL, IN, MI, OH, WI

Southeast: AL, FL, GA, KY, LA, MS, NC, SC, TN

West: CA, NV

Type	Per Unit Installation Cost Recovery			
	South Central	North Central	Southeast	West
High-Rise Property	\$1,200	\$1,300	\$1,200	\$1,900
Mid-Rise Property	\$1,200	\$1,400	\$1,400	\$2,000
Garden Property	\$1,700	\$1,700	\$1,400	\$3,000

6. Intentionally Left Blank

7. Intentionally Left Blank

8. **Bulk:** Owner represents that it is not, and will not be, a party to a bulk billing agreement with another service provider with respect to any services competing with an AT&T Service. A bulk billing agreement is an agreement between Owner and a service provider where the service provider makes services available to the Units at the Property and Owner agrees to pay the service provider for the services.

9. **Other Terms and Conditions:** The Parties shall comply with the Exhibits.

10. **Intentionally Left Blank**

11. **Entire Agreement:** This Agreement, including Exhibits, attached and incorporated herein, constitutes the entire agreement between Owner and AT&T and supersedes all prior or contemporaneous oral and/or written quotations, communications, promises, agreements and understandings of the Parties, if any, with respect to the subject matter hereof. This Agreement can be modified only by a written addendum or amendment executed by duly authorized representatives of the Parties, except for Property name changes and changes in the legal notice, check delivery and Property addresses.

12. **Signatories:** The Parties to this Agreement represent and warrant that they are familiar with this Agreement and with the negotiation and documents which preceded this Agreement and have the legal authority to enter into this Agreement. Original signatures transmitted and received via facsimile or other electronic transmission of a scanned document, (e.g., pdf or similar format) are true and valid signatures for this Agreement and shall bind the Parties to the same extent as that of an original signature.

13. **Assignment:** This Agreement is binding on Owner's successors and assignees. AT&T's rights and obligations under this Agreement shall survive any sale or transfer of ownership or control of any Property by Owner. In the event of any sale or transfer of ownership or control of any Property by Owner, Owner covenants and agrees to cause this Agreement to be assumed by the subsequent purchaser or transferee of ownership or control of any Property. Owner agrees to notify any purchasers of the Property of this Agreement and to make the assumption of this Agreement a condition of any sale or transfer of the Property. Within thirty (30) days after the sale or other conveyance of all or a portion of the Property, Owner will provide written notification of such conveyance that this Agreement was assigned to new owner ("Assignee") to AT&T in accordance with the Notices and Payments section below. Owner shall obtain Assignee's written agreement in a form acceptable to AT&T (a form that must state Assignee accepts the assignment of the Agreement and must include entity name, address, contact person, contact information, payee name and tax ID, payee address and notices contact name, address and contact information, at minimum) ("Assignment Agreement"), establishing Assignee as Owner for the Property so conveyed. Except as set forth in the Assignment Agreement, Owner and AT&T shall be relieved of any further responsibilities to one another under this Agreement arising after the effective date of the Assignment Agreement. AT&T will have the right to assign or transfer this Agreement to any present or future affiliate, subsidiary, parent corporation, or to any person or entity in connection with the sale of all or substantially all of AT&T's business or assets.

14. **Confidential Information:** The Parties shall hold this Agreement and its content and related information marked as "confidential" (including, but not limited to, any payment arrangements, customer lists and Property acquisition) ("Information"), shall protect it just as it would protect its own confidential information, and shall not disclose Information except to employees, affiliates, or third parties with related fiduciary obligations to either Party and having a need to know for purposes of performance under this Agreement, except as otherwise required under the California Public Records Act (CA. Government Code Section 6250 et seq. If Information is required to be disclosed pursuant to law, regulation, tariff or a requirement of a governmental authority, or in connection with an arbitration or mediation, such Information may be disclosed pursuant to such requirement so long as the Party being required to disclose the Information, to the extent possible, provides the other Party with timely prior written notice of such requirement. Such obligation excludes Information which is (i) previously known by such Party without an obligation of confidentiality other than under this Agreement, (ii) publicly disclosed by the furnishing Party either prior to or subsequent to a Party's receipt of such Information from the furnishing Party or is publicly known or becomes publicly known through no unauthorized act of the recipient Party, (iii) rightfully received from a third party, (iv) independently developed without use of the disclosing Party's Information, or (v) disclosed without similar restrictions to a third party by the Party owning the Information. The obligations in this paragraph continue for two (2) years after the Term of this Agreement.

15. **Force Majeure:** No Party shall be held liable for any reasonable delay or failure in performance of any part of the Agreement because of any cause or circumstances beyond its reasonable control such as, but not limited to, acts of God, explosion, fire, power failure, strikes, epidemics/pandemics, newly enacted laws or regulations, and reallocation of resources resulting from such Force Majeure condition or any other cause arising without its actual fault collectively ("Force Majeure Conditions").

16. **Hazardous Substances:** Each Party shall be solely responsible at its own expense for the proper handling, use, removal, excavation, storage, treatment, transport, disposal, or any other management by such Party or any person acting on its behalf of all Hazardous Substances introduced by that Party, or in the case of the Owner, existing and introduced by either the Owner or a predecessor owner of the Property, to the affected work location and will perform such activities in accordance with Applicable Law. "Hazardous Substances" means (i) any material or substance that is defined or classified as a hazardous substance, hazardous waste, hazardous material, hazardous chemical, pollutant, or contaminant under any federal, state, or local environmental statute, rule, regulation, ordinance or other Applicable Law dealing with the protection of human health or the environment, (ii) petroleum, oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, jet fuel, and other petroleum hydrocarbons, or (iii) asbestos and asbestos containing material in any form, and (iv) any soil, groundwater, air, or other media contaminated with any of the materials or substances described above. Owner will be responsible for notifying AT&T and its contractors of all areas containing pre-existing asbestos, lead paint, and/or other Hazardous Substances pursuant to the requirements of the Notices provision of this Agreement. AT&T and its contractors are trained to recognize and prevent exposure to Hazardous Substances and will follow OSHA and EPA standards in its practices. In the event that AT&T or its contractors identify Hazardous Substances at the Property during the installation of the AT&T Facilities and/or system at the Property, AT&T will notify Owner of such discovery and will withdraw from the Property until Owner has removed the Hazardous Substances to which AT&T employees or its contractors could be exposed. If Owner thereafter refuses or fails to commence removal of such Hazardous

Substances within ninety (90) days, completing such removal within one hundred and eighty (180) days, then this Agreement will be deemed terminated, and Owner will reimburse all build out costs (labor and materials) incurred by AT&T up to the date AT&T provided notice of discovery of such Hazardous Substances to the Owner.

17. Governing Law and Regulatory Changes: The validity, construction, and enforceability of this Agreement, as well as any causes of action relating to contractual interpretations or arising out of the performance of this Agreement, whether sounding in contract or tort, shall be governed in all respects by the laws of the state in which the Property is located.

18. Indemnification: Subject to Section 19, each Party agrees to indemnify, defend, and hold harmless the other Party (including its officers, directors, principals, assigns, successors, affiliates, agents, and employees) from and against any and all liability, loss, damage, claim or expense (including attorneys' fees and court costs), incurred by the other in connection with any third party claim, demand, or suit for damages, injunction or other relief only to the extent it is either caused by or results from (a) the negligence, gross negligence or intentional misconduct of the indemnifying Party (including any of its agents or subcontractors); (b) noncompliance with the Laws; or (c) any actual or alleged infringement of any third party's United States patent, trade secrets, trademark, copyright, or other intellectual property rights by the indemnifying Party. The indemnified Party agrees to provide the indemnifying Party with sufficient notice of any claim, to inform the indemnifying Party of any subsequent written communication regarding the claim, and to fully cooperate with the indemnifying Party in defense of the claim.

19. LIMITATION OF LIABILITY: (i) AT&T SHALL NOT BE LIABLE TO OWNER OR ANY THIRD PARTY FOR INTERRUPTION OF THE AT&T SERVICES FROM ANY CAUSE. AT&T'S LIABILITY, IF ANY, TO RESIDENTS WILL BE GOVERNED BY THE APPLICABLE AGREEMENTS AND ACCEPTABLE USE POLICIES IN PLACE WITH THE RESIDENTS. (ii) NEITHER PARTY IS LIABLE TO THE OTHER PARTY FOR INCIDENTAL, SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, WHETHER BY TORT OR CONTRACT, INCLUDING LOST REVENUES, LOSS OF PROFITS OR OTHER COMMERCIAL OR ECONOMIC LOSS ARISING OUT OF THE PERFORMANCE OR NONPERFORMANCE OF THE AGREEMENT, INCLUDING, WITHOUT LIMITATION, NEGLIGENT PERFORMANCE OR FAILURE TO PERFORM, OR A DEFECT OR FAILURE TO PERFORM, OR A DEFECT OF EQUIPMENT PROVIDED HEREUNDER, REGARDLESS OF THE FORESEEABILITY THEREOF.

20. DISCLAIMER OF WARRANTIES: NEITHER PARTY MAKES ANY WARRANTY, EITHER EXPRESS OR IMPLIED, TO THE OTHER PARTY EXCEPT AS EXPRESSLY SET FORTH IN THE AGREEMENT AND ANY OF THEIR EXHIBITS. WITHOUT LIMITING THE FOREGOING, NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND NO WARRANTIES ARISING FROM TRADE, CUSTOM, OR USAGE, HAVE BEEN MADE BY EITHER PARTY TO THE OTHER. NO WARRANTIES OF "NON-INFRINGEMENT" HAVE BEEN MADE BY EITHER PARTY TO THE OTHER. THE WARRANTIES, IF ANY, DESCRIBED IN THIS AGREEMENT ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES (WRITTEN, ORAL, STATUTORY, OR IMPLIED) AND ALL WARRANTIES, OTHER THAN AS SPECIFICALLY SET FORTH HEREIN, ARE HEREBY RELEASED AND WAIVED BY BOTH PARTIES HERETO.

21. Independent Contractor: Each Party will conduct its business at its own initiative, responsibility, and expense. Individuals employed by each Party are not employees of the other(s).

22. Non-Waiver: No course of dealing or failure by a Party to enforce any term, right or condition hereunder will be construed as a waiver of such term, right or condition.

23. Notices and Payments: Delivery of all notices, demands and invoices for payments required, shall be sent to the addresses of the Parties set forth in Exhibit A. A notice shall be duly given when made in writing and sent either by: 1) facsimile with confirmation, 2) delivered by a nationally recognized courier service with proof of delivery or 3) sent by postage prepaid certified mail, return receipt requested.

24. Compliance with Laws and Regulations: This Agreement is subject to and the Parties agree to comply with all applicable laws, rules, regulations, codes and requisite approvals, or tariffs promulgated by a government entity or agency, if any (collectively "Laws") in their performance under the Agreement. If any conflict exists, between this Agreement and such Laws ("Conflict") during the Term of this Agreement, the Laws shall control, and this Agreement shall be deemed modified accordingly and confirmed via amendment. The affected Party shall notify the other Party of any Conflict in writing, and such other Party agrees to cooperate with the affected Party in resolving any Conflict, including amending this Agreement to eliminate such Conflict. Should such resolution materially alter the financial benefits, administrative requirements, or legal obligations of either Party, the sole remedy of such Party, shall be to terminate this Agreement with respect to the unresolved AT&T Service(s) in Conflict, without additional liability.

25. Severability: If any provision of this Agreement is held to be illegal, invalid or unenforceable, this Agreement and all other provisions will remain in effect, unless the illegal, invalid or unenforceable provision goes to the essence of this Agreement. The Parties shall act in good faith to renegotiate such illegal, invalid or unenforceable provision to as closely reflect the original intent of the Parties as possible without changing the essence of this Agreement.

26. Termination/Default: In the event a Party defaults on its material obligations under this Agreement and the default remains uncured for thirty (30) days after the non-defaulting Party gives written notice to the defaulting Party specifying the default, then in addition to all other rights and remedies available at law or in equity under this Agreement, the non-defaulting Party may, but is not obligated to, terminate this Agreement. Notwithstanding the above, either Party may terminate this Agreement immediately upon giving written notice to the other Party and shall be entitled to remedies for any resulting damages if (i) the other Party makes an assignment for the benefit of creditors or files a petition for reorganization; (ii) a petition in bankruptcy is filed by or against the other Party; (iii) for any breach of this Agreement by the other Party that negatively affects the non-defaulting Party's reputation, including but not limited to illegal, fraudulent or unethical behavior.

27. Survival of Obligations: Each Party's obligations under the Agreement which by their nature would continue beyond the termination or expiration of this Agreement will survive such termination or expiration.

28. Publicity/Trademark Licenses: Neither Party may use the other Party's, name, trademarks, trade names or the name of any affiliate or subsidiary of the other, or use any photographs, personnel, or assets, all collectively referred to herein as the "Mark(s)", in press releases or advertising, without the other Party's prior written consent.

29. Representations and Warranties: Owner represents and warrants that as of the date the Property is included in this Agreement (i) Owner is the record owner of fee simple title to the Property or controls the Property; (ii) to the actual knowledge of Owner no existing agreement, easement, instrument, mortgage, encumbrance, or any other document or grant or restriction of rights prohibits or in any way conflicts with Owner's ability to enter into, grant the rights to AT&T, and perform the obligations required under this Agreement or in any way prohibits Owner from entering into these obligations; (iii) Owner's entry into and performance of this Agreement will not cause any default or breach under any of the foregoing; and (iv) Owner agrees that it will not hereafter enter into any agreement that would have the effect of interfering with either Party's rights hereunder.

30. Dispute Resolution: In the event of any dispute, claim, or controversy arising out of or related to this Agreement or breach thereof, prior to initiating any judicial action regarding such dispute, claim, or controversy, the Parties shall use commercially reasonable efforts to settle such disputes, claims, or controversies by consulting and negotiating with each other in good faith and shall attempt to reach a just and equitable solution satisfactory to both Parties for a period of sixty (60) days following written notice of such dispute, claim, or controversy. If the Parties do not reach a resolution within such sixty (60) day time period, then the dispute, claim, or controversy may be decided by either (i) a court of competent jurisdiction or (ii) if and only if mutually agreed to by the Parties, arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association for expedited arbitrations. Regardless of whether the matter is resolved by arbitration or trial, each Party shall bear its own costs, attorneys' fees, and disbursements, regardless of which Party prevails.

31. Construction: The Parties are deemed to have participated in the drafting and negotiation of this Agreement after having the opportunity to consult with their respective counsel of their own choosing. Therefore, the language of this Agreement shall not be presumptively construed either in favor of, or against, any Party.

32. No Third Party Beneficiaries: Except as otherwise specifically stated in this Agreement, the provisions of this Agreement are for the benefit of the Parties hereto and not for any other person.

33. Non-exclusive Access: Nothing in this Agreement is intended to, nor shall it be construed to, preclude any Resident from electing to receive services from another provider, nor restrict Owner from allowing another provider to place its facilities at the Property. This Agreement shall not constitute an exclusive services facilities Agreement. Notwithstanding anything to the contrary contained herein, AT&T acknowledges that Owner may enter into non-bulk (as defined in Section 8 above) agreements with other service providers for services similar to the AT&T Services that are the subject of this Agreement.

34. Independent Liability: AT&T and its Affiliates shall not be jointly liable under this Agreement, each AT&T entity being independently and individually liable only for its own acts hereunder.

35. Non-Liability of Owner Officials and Employees. No Member, official employee or consultant of Owner shall be personally liable to AT&T, or any successor in interest, in the event of a default or breach by Owner or for any amount which may become due to AT&T or to its successor, or on any obligation under the terms of this agreement.

****SIGNATURE PAGE FOLLOWS****

THE PARTIES SHALL EXECUTE THIS AGREEMENT IN THE FOLLOWING MANNER: OWNER SHALL EXECUTE AND RETURN THE AGREEMENT TO AT&T ON OR BEFORE APRIL 30, 2021 AFTER WHICH AT&T SHALL COUNTERSIGN. IF OWNER FAILS TO MEET THE DEADLINE FOR EXECUTION, AT&T MAY EITHER COUNTERSIGN OR TREAT THE OFFER AS WITHDRAWN.

OWNER'S SIGNATURE BELOW OR AUTHORIZED ELECTRONIC SIGNATURE ACKNOWLEDGES THAT OWNER HAS READ AND UNDERSTANDS EACH OF THE PROVISIONS OF THIS AGREEMENT AND AGREES TO BE BOUND BY THEM.

SO AGREED:

Constitution and Eagle LP
a California limited partnership
(Owner)

AT&T Services, Inc.,
a Delaware corporation
(AT&T)

By: Rosefield LLC,
a California limited liability company,
its managing general partner

By: Island City Development,
a California nonprofit public benefit corporation,
its sole member

By: _____ (Authorized Signature)
Printed Name: <u>Janet Basta</u>
Title: <u>Treasurer & Secretary</u>
Date: _____

By: _____ (Authorized Signature)
Printed Name: <u>Tom Bennett</u>
Title: <u>Senior Customer Contracts Manager</u>
Date: _____

EXHIBIT A
PROPERTY DESCRIPTION

Property Owner: Constitution and Eagle LP Attention: Janet Basta 701 Atlantic Avenue Alameda, California 94501 Telephone: (510) 747-4300 Email: jbast@alamedahsg.org

Property Name	Leasing Office Address	Number of Units
Rosefield Apartments	727 Buena Vista Ave Alameda, California 94501	78

LEGAL NOTICE ADDRESSES

To Owner:	To AT&T:
Constitution and Eagle LP Attention: Janet Basta 701 Atlantic Avenue Alameda, California 94501 Telephone: (510) 747-4300 Email: jbast@alamedahsg.org	AT&T Connected Communities Attention: Contract Management 208 S. Akard Street, 8th Floor Dallas, Texas 75202 Facsimile: 214-486-8170

*not an official delivery method under this Agreement

PROPERTY ADDRESS FORM

ALL PROPERTY ADDRESS FORMS SHALL BE SUBMITTED ON AN EXCEL FORM TO AT&T. THE FORM MAY BE REQUESTED FROM AND THE COMPLETED FORMS SUBMITTED TO THE FOLLOWING EMAIL ADDRESS: acc.west@att.com

EXHIBIT B

DEMARICATION POINTS

1. **Demarcation Point(s)**. The demarcation point location(s) selected by the Owner is:

- Within each Unit at the Property
- A common location in each building at the Property from which all Units in such building can be served
- More than one common location in each building or on the Property, each of which serves multiple Units
- A common location at the Property from which all Units of the Property can be served (MPOE)