

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2020A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2020A Bonds. See “TAX MATTERS” herein.



\$67,675,000

CSCDA COMMUNITY IMPROVEMENT AUTHORITY
Essential Housing Revenue Bonds,
(Renaissance at City Center) Series 2020A

Dated: Date of Initial Delivery

Due: July 1 as shown on inside front cover pages

The CSCDA Community Improvement Authority (the “Authority”) is issuing its Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A (the “Series 2020A Bonds”), pursuant to a Trust Indenture, dated as of December 1, 2020 (the “Indenture”), between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”). The Series 2020A Bonds will bear interest at the rates set forth on the inside front cover pages from their initial date of delivery to their maturity or prior redemption. Interest on the Series 2020A Bonds will accrue from the date of initial authentication and delivery and will be payable semiannually on January 1 and July 1 of each year, commencing July 1, 2021.

The Series 2020A Bonds will be issued in the form of fully-registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as the securities depository for the Series 2020A Bonds. Except as set forth herein, purchases will be made in book-entry form through DTC participants only in Authorized Denominations of \$100,000 plus any integral multiple of \$1.00 in excess thereof while the Bonds are not rated an Investment Grade Credit Rating, or any smaller multiple of \$1.00 occasioned by the redemption of Bonds, but not in excess of the aggregate principal amount of Series 2020A Bonds then Outstanding. Except as herein described, purchasers will not receive certificates representing their beneficial interests in the Series 2020A Bonds. Utilization of the book-entry-only system will affect the method and timing of payment of principal of and interest on the Series 2020A Bonds and the method of transfer of the Series 2020A Bonds. So long as the book-entry-only system is in effect, a single fully-registered Series 2020A Bonds, for each maturity of the Series 2020A Bonds will be registered in the name of Cede & Co., as nominee of DTC, on the registration books maintained by the Trustee. DTC will be responsible for distributing the principal, premium, if any, and interest payments to its direct and indirect participants who will, in turn, be responsible for distribution to the beneficial owners of the Series 2020A Bonds (the “Beneficial Owners”). So long as the book-entry-only system is in effect and Cede & Co. is the registered owner of the Series 2020A Bonds, all references herein (except under the heading “TAX MATTERS”) to owners of the Series 2020A Bonds will refer to Cede & Co. and not the Beneficial Owners. See “THE SERIES 2020A BONDS-Book Entry-Only System.”

Concurrently with the issuance of the Series 2020A Bonds, the Authority is issuing its Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Bonds”). The Series 2020B Bonds are **not being offered pursuant to this Limited Offering Memorandum**. Certain features of the Series 2020B Bonds are described herein as they relate to the Series 2020A Bonds. The Series 2020B Bonds will be directly issued to, or at the direction of, Standard Faring Workforce LLC, a California limited liability company (“Standard”), in exchange for the sale and assignment of certain assets to the Authority, including its purchase rights to the Project.

Pursuant to the Indenture, the Series 2020A Bonds may only be sold or transferred in Authorized Denominations to “Qualified Institutional Buyers” as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) or institutional Accredited Investors (“Institutional Accredited Investors”) as described in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act or a trust or custodial arrangement in which all of the beneficial owners are either Qualified Institutional Buyers or Institutional Accredited Investors. Each initial Beneficial Owner of a Series 2020A Bond must be a Qualified Institutional Buyer or an Institutional Accredited Investor, that in each case, delivers an investor letter substantially in the form attached hereto as “APPENDIX J – FORM OF INVESTOR LETTER.” No investor letter shall be required to be delivered in connection with subsequent transfers of the Series 2020A Bonds.

Subject to the limitations described herein, the Series 2020A Bonds are subject to redemption prior to their stated maturity dates, subject to the availability of funds therefor, as described herein. See “THE SERIES 2020A BONDS” herein.

The proceeds of the Series 2020A Bonds will be applied by the Authority for the purpose of (i) financing the acquisition of a multifamily rental housing facility consisting of a total of 150 units with ground-level commercial space and related improvements, personal property and equipment known as Renaissance at City Center (the “Facilities”) and the land and real property in the City of Carson, California, legally described in the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December 1, 2020 (the “Regulatory Agreement”), by and between the Authority and the Trustee (together with the Facilities, the “Project”), (ii) funding deposits into the Project Acquisition Account, Series 2020 Capitalized Interest Account, Capital Expense Fund, Operating Reserve Fund, Coverage Reserve Fund, Senior Debt Service Reserve Fund, Extraordinary Expense Fund and Insurance and Tax Escrow Fund for the Series 2020A Bonds; (iii) funding an initial deposit into the Operating Account under the Property Management Agreement; and (iv) paying the costs and expenses incidental to the issuance of the Bonds.

The Series 2020A Bonds are payable solely from and are secured by a lien on and security interest in (a) the Revenues and amounts on deposit with the Trustee from time to time in the funds and accounts created pursuant to the Indenture (other than the Rebate Fund and the Extraordinary Expense Fund), including funds in the following reserve funds: the Senior Debt Service Reserve Fund, the Capital Expense Fund, the Operating Reserve Fund and the Coverage Reserve Fund, and (b) the Project described herein pursuant to a Mortgage, subject to certain Permitted Encumbrances, and an assignment by the Authority of all of its right, title and interest in and to the Project Administration Agreement and the Property Management Agreement, all as more fully described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS” herein.

THE SERIES 2020A BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE AUTHORITY, ANY OF ITS MEMBERS, THE STATE OF CALIFORNIA (THE “STATE”), NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE SERIES 2020A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE SERIES 2020A BONDS OR ANY OF THE AUTHORITY’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE AUTHORITY HAS NO TAXING POWER.

In order to allow the Authority to issue tax-exempt bonds, including the Series 2020A Bonds, to finance and acquire low-income, median-income and moderate-income affordable housing in Carson, California, the City Council of the City of Carson (the “Council”) adopted Resolution No. 20-166 on November 4, 2020, pursuant to which the Council authorized, among other things, the City of Carson to become an additional member of the Authority and the City of Carson’s City Manager to enter into public benefit agreements with the Authority for all Authority-financed low-income, median-income and moderate-income rental housing created within the City of Carson’s city limits, including the Public Benefit Agreement (defined herein).

INVESTMENT IN THE SERIES 2020A BONDS INVOLVES A SUBSTANTIAL DEGREE OF RISK AND EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE SERIES 2020A BONDS. SEE “RISK FACTORS” HEREIN.

There is currently no secondary market for the Series 2020A Bonds. There can be no assurance that a secondary market will develop, or, if one does develop, that it will continue. Any person purchasing the Series 2020A Bonds who does not intend to hold the Series 2020A Bonds until maturity should be aware of the likelihood that even if a secondary market for the Series 2020A Bonds develops, there will likely be substantial price fluctuation in the secondary market price of the Series 2020A Bonds. See “RISK FACTORS—Lack of Market for Resale of the Series 2020A Bonds” herein.

This cover page contains certain information with respect to the Series 2020A Bonds for convenience of reference only. It is not a summary of the issue of which the Series 2020A Bonds are a part. Investors must read this entire Limited Offering Memorandum to obtain information essential to the making of an informed investment decision with respect to the Series 2020A Bonds.

The Series 2020A Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of their validity and certain other legal matters by Orrick, Herrington & Sutcliffe LLP, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel, Orrick, Herrington & Sutcliffe LLP, for the Project Administrator by its counsel, Rutan & Tucker LLP and for the Underwriter by its counsel, Tiber Hudson LLC. It is expected that the Series 2020A Bonds will be available for delivery in New York, New York, through the facilities of DTC, on or about December 22, 2020.

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MATURITY PAYMENTS, INTEREST RATES, YIELDS AND CUSIPS

\$67,675,000

CSCDA COMMUNITY IMPROVEMENT AUTHORITY

**Essential Housing Revenue Bonds,
(Renaissance at City Center) Series 2020A**

MATURITY SCHEDULE

\$67,675,000 5.00% Bond due July 1, 2031 priced at 114.915* to yield 3.31% CUSIP†: 126292 AA9

* Bonds priced to first optional call date of July 1, 2031.

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Renaissance at City Center: Carson, California



Renaissance at City Center: Model Unit



Renaissance at City Center: Pool



Renaissance at City Center: Fireside Lounge

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

IN CONNECTION WITH THE OFFERING OF THE SERIES 2020A BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020A BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesperson or other person has been authorized by the Authority or the Underwriter to give any information or to make any representations other than those contained in this Limited Offering Memorandum and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be a sale of Series 2020A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof.

The information under the heading “THE SERIES 2020A BONDS – Book-Entry-Only System” has been obtained from The Depository Trust Company. All other information contained herein has been obtained from the Authority, the Project Administrator and other sources which are believed to be reliable. The Underwriter has provided the following sentence for inclusion in this Limited Offering Memorandum. The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Wilmington Trust, National Association, as bond trustee, assumes no responsibility for this Limited Offering Memorandum and has not reviewed or undertaken to verify any information contained in this Limited Offering Memorandum.

THE SERIES 2020A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE INDENTURE OF TRUST ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2020A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH THE SERIES 2020A BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2020A BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

NOTICE REGARDING LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum contains summaries of the structure, terms and conditions of the Authority, Project Administrator, the transaction documents and the Project as they exist as of the date hereof. Certain of the documents attached as Exhibits to this Limited Offering Memorandum are in draft form and remain subject to change and modification before execution.

NOTICE TO INVESTORS

The Senior Indenture (as defined herein) provides that, during the “Restricted Period” (defined below), the Series 2020A Bonds are only to be sold (including in secondary market transactions) to “Qualified Institutional Buyers” as defined in Rule 144A promulgated under the Securities Act or institutional Accredited Investors (which consists of Accredited Investors within the meaning of Rule 501(a)(1),(2), (3) or (7) under the Securities Act, hereafter, “Institutional Accredited Investors,” and together with Qualified Institutional Buyers, “Qualified Purchasers”) in Authorized Denominations (as defined herein). Neither the Underwriters nor any Holder or Beneficial Owner of the Series 2020A Bonds shall deposit the Series 2020A Bonds in any trust or account under its control and sell any shares, participatory interest or certificates in such trust and account, and neither the Underwriters nor any Holder or Beneficial Owner shall deposit the Series 2020A Bonds in any trust or account under its control the majority of the assets of which constitute the Series 2020A Bonds, and sell shares, participatory interest or certificates in such trust or account except to Qualified Purchasers in Authorized Denominations; provided that none of the Underwriters, Holders or Beneficial Owners shall have an obligation to independently establish or confirm that any transferee of a Series 2020A Bond is a Qualified Purchaser, however any actual transfer of a Series 2020A Bond to any entity that is not a Qualified Purchaser shall be deemed null and void as provided in the Indenture.

Initial Purchasers of the Series 2020A Bonds from the Underwriters will be required to deliver an “Investor Letter” in the forms attached hereto in APPENDIX J in connection with such purchase providing representations and assurances to the Authority, the Borrower and the Underwriters regarding their knowledge and sophistication in the evaluation and purchase of securities such as the Series 2020A Bonds.

Participatory shares of Series 2020A Bonds in trusts which include any of the Series 2020A Bonds may be sold only to Qualified Purchasers, and such trust shares must be sold only in increments equal to the Series 2020A Bond’s minimum denomination unless (i) the participatory shares are credit enhanced to an “A-” level or higher and purchasers of such shares are not exposed to credit risk of the Borrower, or (ii) participatory shares are not directly made in the Series 2020A Bonds, but are part of a diversified portfolio in a regulated investment company, where the Series 2020A Bonds constitute not more than 5% of the total portfolio.

The Underwriters have agreed under the Bond Purchase Agreement to sell the Series 2020A Bonds such that:

- (i) Each purchaser, based upon the knowledge of the Underwriters after verbal inquiry and receipt of an “Investor Letter” in the form attached hereto in APPENDIX J (but

otherwise without independent investigation), is an institutional purchaser that is a Qualified Purchaser, or, if such purchaser is buying for an account for which such purchaser is acting as fiduciary or agent, such account is a Qualified Purchaser; and

- (ii) Each purchaser, to the best knowledge of the Underwriters after verbal inquiry and receipt of an “Investor Letter” in the form attached hereto in APPENDIX J (but otherwise without independent investigation), is acquiring the Series 2020A Bonds for its own account or for not more than one account for which it is acting as fiduciary or agent in a minimum amount of not less than Authorized Denominations, in either case not with a view to any sale or distribution thereof, and has acknowledged such on its own behalf and on behalf of any such account for which it is purchasing the Series 2020A Bonds.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS LIMITED OFFERING MEMORANDUM

Certain statements included or incorporated by reference in this Limited Offering Memorandum (including but not limited to the statements contained in the Appendices attached hereto) constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended and Section 27a of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in “RISK FACTORS” herein and the Appendices attached hereto.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (i) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (ii) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, (iii) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS AND (iv) THE RISKS SET FORTH UNDER THE CAPTION “RISK FACTORS.” ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS LIMITED OFFERING MEMORANDUM ARE BASED ON INFORMATION AVAILABLE TO THE AUTHORITY ON THE DATE HEREOF, AND THE AUTHORITY DOES NOT ASSUME ANY OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN THE EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR.

TABLE OF CONTENTS

	Page
INTRODUCTION	1
General	1
The Series 2020A Bonds	3
Security for the Series 2020A Bonds.....	4
Limited Liability of Authority	4
The Facilities.....	5
Leasing Restrictions.....	6
Risk Factors	6
Continuing Disclosure	6
Miscellaneous	7
PLAN OF FINANCE.....	7
SOURCES AND USES OF FUNDS.....	8
THE SERIES 2020A BONDS	8
General Description	8
Transfer and Exchange of the Series 2020A Bonds	10
Book-Entry-Only System.....	10
Limited Obligations	12
Optional Redemption.....	13
Special Mandatory Redemption of Series 2020A Bonds	13
Extraordinary Mandatory Redemption of Series 2020A Bonds.....	13
Selection of Series 2020A Bonds to be Redeemed.....	13
Partial Redemption of Bonds.....	14
Notice of Redemption.....	14
Payment of Redeemed Bonds.....	14
THE SERIES 2020B BONDS	15
General	15
Optional Redemption.....	15
Special Mandatory Redemption of Series 2020B Bonds.....	16
Extraordinary Mandatory Redemption of Series 2020B Bonds.....	16
Series 2020B Bonds are Subordinate to Series 2020A Bonds.....	16
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS.....	17
Pledge Under the Indenture	17
Limited Obligations	18
Reserve Funds.....	18
Mortgage Security on the Project	21
Assignments.....	22
Pledge and Payment to Trustee of Revenues.....	22

Exercise of Remedies.....	22
Funds and Accounts.....	22
Application of Revenues.....	23
Project Fund.....	25
Debt Service Fund; Transfers to the Debt Service Fund.....	25
Excess Revenue Fund.....	27
Administrative Expenses Fund.....	27
Insurance and Condemnation Proceeds Fund.....	27
Administration Fee Fund.....	28
Permitted Encumbrances; Additional Bonds.....	28
Investment of Funds.....	30
Operating Covenants of the Authority.....	30
PROJECTED PRINCIPAL AND INTEREST PAYMENTS.....	32
Introduction.....	32
Structuring Assumptions.....	32
THE AUTHORITY.....	33
THE FACILITIES AND PROJECT PARTICIPANTS.....	35
City of Carson Authorizations.....	35
The Facilities.....	35
The Project Administrator.....	36
The Property Manager.....	37
The Project Administration Agreement and Property Management Agreement.....	37
Leasing Restrictions; Tenant Occupancy.....	45
Property Tax Exemption.....	46
Public Benefit Agreement.....	47
RISK FACTORS.....	48
Limited Obligations of Authority.....	48
The Authority, Project Administrator and Property Manager; Potential Conflicts of Interest.....	50
The Project Administrator and Property Manager; Termination.....	51
Repayment Obligations of the Authority; Security for Repayment.....	51
Future Revenues and Expenses.....	51
Actual Results May Differ from the Appraisal and Financial Projections.....	52
Forward-Looking Statements.....	53
The Appraisal Assumptions and Conclusions May Not Be Correct.....	54
Risks of Real Estate Investment.....	54
Property Tax Exemption.....	56
Facilities Risks.....	56
Early Redemption and Loss of Premium.....	58
Loss of Tax Exemption.....	58
Status of Interest on the Series 2020A Bonds.....	58
Bankruptcy Risks.....	59

Enforceability of Remedies.....	61
Certain Matters Relating to Enforceability of Agreements	62
Legal Opinions.....	63
No Ratings	63
Lack of Market for Resale of the Series 2020A Bonds	63
Additional Risks.....	63
Other Factors.....	64
Potential Impact of Pandemics.....	64
Summary	65
 NO LITIGATION.....	 65
The Authority.....	65
 APPROVAL OF LEGAL MATTERS.....	 66
 TAX MATTERS.....	 66
 RATINGS	 68
 UNDERWRITING	 68
 CONTINUING DISCLOSURE.....	 69
 THIRD PARTY REPORTS.....	 69
 FINANCIAL INFORMATION	 70
 MISCELLANEOUS	 70
 APPENDIX A - THE PARTICIPANTS AND THE FACILITIES	
APPENDIX B - FORM OF PROPERTY TAX EXEMPTION OPINION	
APPENDIX C - THE APPRAISAL	
APPENDIX D - THE PROPERTY CONDITION REPORT	
APPENDIX E - MASTER GLOSSARY OF TERMS	
APPENDIX F - FORM OF INDENTURE	
APPENDIX G - FORM OF BOND COUNSEL OPINION	
APPENDIX H - FORM OF THE CONTINUING DISCLOSURE AGREEMENT	
APPENDIX I - FINANCIAL PROJECTIONS AND UNDERLYING ASSUMPTIONS FOR THE FACILITIES	
APPENDIX J - FORM OF INVESTOR LETTER	

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LIMITED OFFERING MEMORANDUM

\$67,675,000

CSCDA COMMUNITY IMPROVEMENT AUTHORITY Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A

INTRODUCTION

The summaries of and references to the Bonds, the Indenture, the Mortgage and other documents which appear in this Limited Offering Memorandum do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the originals thereof.

This Limited Offering Memorandum, including the cover page and the Appendices hereto is provided to furnish information in connection with the issuance by the CSCDA Community Improvement Authority (the “Authority”) of its Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A, in the original aggregate principal amount of \$67,675,000 (the “Series 2020A Bonds”), for the purpose of financing the cost of the acquisition of the Project funding certain reserves pursuant to the Indenture (defined below), and paying costs of issuance of the Bonds, all as more fully described herein.

For the definitions of certain capitalized terms used in this Limited Offering Memorandum, which are not otherwise defined herein, reference should be made to “APPENDIX E – MASTER GLOSSARY OF TERMS.” All capitalized terms used in this Limited Offering Memorandum and not otherwise defined herein shall have the same meaning as in the Indenture.

This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change.

INVESTMENT IN THE SERIES 2020A BONDS INVOLVES A SUBSTANTIAL DEGREE OF RISK AND EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE SERIES 2020A BONDS. SEE “RISK FACTORS” HEREIN.

General

The Series 2020A Bonds are being issued pursuant to the provisions of Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”), and a Trust Indenture, dated as of December 1, 2020 (as it may be amended, modified or supplemented from time to time, the “Indenture”), by and between the Authority and Wilmington Trust, National Association, as trustee for the Series 2020A Bonds (the “Trustee”).

The proceeds of the Series 2020A Bonds will be applied by the Authority for the purpose of (i) financing the acquisition of the Project (defined below), (ii) funding deposits into the Project Acquisition Account, Series 2020 Capitalized Interest Account, Capital Expense Fund, Operating Reserve Fund, Coverage Reserve Fund, Senior Debt Service Reserve Fund, Extraordinary Expense

Fund and Insurance and Tax Escrow Fund for the Series 2020A Bonds, (iii) funding an initial deposit into the Operating Account under the Property Management Agreement (defined below) and (iv) paying the costs and expenses incidental to the issuance of the Bonds.

Concurrently with the issuance of the Series 2020A Bonds, the Authority is issuing its \$3,000,000 aggregate principal amount Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Bonds”). The Series 2020B Bonds will be issued and secured on a subordinate basis to the Series 2020A Bonds under the Indenture.

The Series 2020B Bonds are not being offered pursuant to this Limited Offering Memorandum. The Series 2020B Bonds will be directly issued to, or at the direction of, Standard Faring Workforce LLC, a California limited liability company (“Standard”), in exchange for the sale and assignment of certain assets to the Authority, including its purchase rights to the Project. See “THE AUTHORITY” herein.

The purchase price for the Project was determined pursuant to an arm’s-length negotiation between unrelated parties. The Series 2020A Bonds will be payable from Revenues pursuant to the Indenture.

The Authority and the Project Administrator (defined below) will enter into the Project Administration Agreement, dated as of December 1, 2020 (the “Project Administration Agreement”). Under the Project Administration Agreement, the Project Administrator agrees to monitor, supervise, coordinate, analyze and report to the Authority with respect to the Project and ensure the Property Manager’s compliance with the Property Management Agreement and monitor and ensure the Project’s compliance in all material respects with applicable laws, permits, industry practices and requirements and standards set forth in but not limited to the Indenture, the Purchase Agreement, the Project Administration Agreement, the Property Management Agreement, the Mortgage, the Regulatory Agreement, the Assignment and Assumption Agreement and the Bond Purchase Agreement (collectively, the “Bond Documents”). See “The Project Administration Agreement and Property Management Agreement” herein.

The Authority

The Authority is a joint exercise of powers authority and public entity organized and existing under the laws of the State of California and pursuant to the Act and a Joint Exercise of Powers Agreement (the “Joint Exercise Agreement”), dated as of October 15, 2020, among Yolo County and the City of Woodland, as charter members, to which certain other cities and counties, including the City of Carson, have or will in the future join as additional members. The Authority is administered by a Board of Directors consisting of the Commissioners of the California Statewide Communities Development Authority. The Authority is authorized and empowered under the Act and by the Joint Exercise Agreement to issue bonds to undertake the financing and/or refinancing of any purpose or activity permitted under the Act or any other law, including projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals. See “THE AUTHORITY” herein.

The Project Administrator

The Project Administrator is Standard Renaissance Administrator LLC, a Delaware limited liability company, an affiliate of a privately held multifamily housing investor and developer. The Project Administrator's Principals (the "Principals"), through affiliates, have been actively engaged in institutional multifamily investment, acquisition, development financing and asset management since 2008. The Principals' current multifamily investments include residential rental facilities throughout the United States, totaling several thousand units of market rate and affordable housing and commercial space. See "THE FACILITIES AND PROJECT PARTICIPANTS — The Project Administrator" herein.

The Series 2020A Bonds

The Series 2020A Bonds will be issued as fully registered bonds, without coupons, in Authorized Denominations of \$100,000 plus any integral multiple of \$1.00 in excess thereof while the Bonds are not rated an Investment Grade Credit Rating, or any smaller multiple of \$1.00 occasioned by the redemption of Bonds, but not in excess of the aggregate principal amount of Series 2020A Bonds then Outstanding.

Pursuant to the Indenture, the Series 2020A Bonds may only be sold or transferred in Authorized Denominations to "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") or institutional Accredited Investors ("Institutional Accredited Investors") as described in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act or a trust or custodial arrangement in which all of the beneficial owners are either Qualified Institutional Buyers or Institutional Accredited Investors. Each initial Beneficial Owner of a Series 2020A Bond must be a Qualified Institutional Buyer or an Institutional Accredited Investor, that in each case, delivers an investor letter substantially in the form attached hereto as "APPENDIX J – FORM OF INVESTOR LETTER." No investor letter shall be required to be delivered in connection with subsequent transfers of the Series 2020A Bonds.

Interest on the Series 2020A Bonds will be due and payable on each January 1 and July 1 (each an "Interest Payment Date"), commencing July 1, 2021. The Series 2020A Bonds are subject to optional redemption, extraordinary redemption and mandatory redemption at the times and in the amounts as set forth under the heading "THE SERIES 2020A BONDS".

The Series 2020A Bonds will be delivered in book-entry-only form. See "BOOK-ENTRY-ONLY SYSTEM" below.

THE SERIES 2020A BONDS ARE SECURED ONLY BY CERTAIN AMOUNTS HELD UNDER THE INDENTURE AND BY A LIEN ON THE PROJECT, INCLUDING ANY AMOUNTS RECEIVED FROM ANY EXERCISE OF THE REMEDIES IN THE MORTGAGE, PROJECT ADMINISTRATION AGREEMENT AND PROPERTY MANAGEMENT AGREEMENT. THE SERIES 2020A BONDS ARE NOT, AND ARE NOT EXPECTED TO BE, CREDIT ENHANCED IN ANY MANNER.

The remedies available to the Trustee in the event of a default on the Series 2020A Bonds are subject to various conditions and limitations and are, therefore, limited. See “APPENDIX F – FORM OF INDENTURE – Defaults and Remedies – Specific Remedies” herein.

Security for the Series 2020A Bonds

The Series 2020A Bonds and the interest thereon are limited obligations of the Authority payable solely from and secured by a lien on and security interest in (a) the Revenues and any other amounts on deposit with the Trustee from time to time in the funds and accounts created pursuant to the Indenture (other than the Rebate Fund and the Extraordinary Expense Fund), including funds in the following reserve funds: the Senior Debt Service Reserve Fund, the Capital Expense Fund, the Operating Reserve Fund and the Coverage Reserve Fund, (b) the Project, subject to certain Permitted Encumbrances, all as provided in the Indenture and the Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “Mortgage”), dated as of the Closing Date, from the Authority to the Trustee for the benefit of the registered owners of the Series 2020A Bonds (the “Owners”), pursuant to which the Trustee shall have a first lien on and security interest in, the Project and on all of the revenues from the operation of the Facilities, including all rentals and fees payable with respect to the Facilities, and other property, as provided in the Indenture and the Mortgage and (c) all of the Authority’s right, title and interest in and to the Project Administration Agreement and the Property Management Agreement. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS” herein.

In connection with the issuance of the Series 2020A Bonds, there will be a deposit account control agreement, pursuant to which the Trustee will be granted a security interest in the Gross Operating Revenues on deposit in the Collections Account prior to their transfer to the Trustee, a security interest in the Operating Account, and a security interest in the Capital Account (each as defined in “APPENDIX E — MASTER GLOSSARY OF TERMS”).

To further secure the Authority’s obligations under the Indenture, the Authority shall, at its sole expense, execute and deliver to the Trustee (and where required, duly record) the Mortgage.

The Series 2020B Bonds also will be secured by the Mortgage; however, the Series 2020B Bondholders will not be entitled to exercise any rights and remedies with respect to the Project or against the Authority (including, but not limited to, foreclosure, appointment of a receiver, exercise of the assignment of rents, approval or other rights with respect to any lease of space within the Facilities, or any sublease, assignment or modification to any such lease, or rights with respect to condemnation and insurance) unless and until the Series 2020A Bonds have been paid in full. Subject to the consent of the Authority (which consent may be withheld for any reason or no reason), the Series 2020B Bondholders shall have the right to advance funds to cure a default under the Indenture with respect to the Series 2020A Bonds and certain expenses related to the Property as set forth under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS – Mortgage Security on the Project” and “ – Exercise of Remedies.”

Limited Liability of Authority

THE SERIES 2020A BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE

UNDER THE INDENTURE. NEITHER THE AUTHORITY, ANY OF ITS MEMBERS, THE STATE OF CALIFORNIA (THE “STATE”), NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE SERIES 2020A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE SERIES 2020A BONDS OR ANY OF THE AUTHORITY’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE AUTHORITY HAS NO TAXING POWER.

The Facilities

The Facilities are located at 21800 South Avalon Boulevard, Carson, Los Angeles County, California and were originally constructed as a market-rate apartment complex, together with related ground-level commercial space, parking facilities and related improvements. The Facilities consist of a four-story building, with a 150-unit multifamily residential rental community, approximately 12,000 square feet of ground-level retail space and 472 parking spaces in ground level and subterranean garages. The Facilities are subject to certain reciprocal and non-reciprocal easements respecting the adjacent retail and residential properties on its northern side for access, utilities, drainage, the sharing of certain parking spaces located on the ground level garages within each property, and other items as set forth under the Easements, Joint Use, and Maintenance Agreement dated March 30, 2012, and as subsequently amended. The facilities are also subject to certain covenants, conditions and restrictions respecting the adjacent properties to the north and its owners, which provide among other items for review and approval of any new exterior architectural modifications to the Facilities by the adjacent owners until such time as the adjacent properties are sold to an unaffiliated owner, as set forth in the Master Declaration of Covenants, Conditions and Restrictions, and Joint Use Agreement dated March 30, 2012, and amended December 14, 2016. The Facilities include a pool, spa, fireside lounge, fitness center, movie screening theater, billiards lounge, business center, conference room, outdoor recreation areas and other amenities. The Facilities were originally developed in 2013. The Facilities are currently owned by Avalon Carson, LLC, a Delaware limited liability company (the “Seller”), and are currently managed by ConAm Management Corporation, which has a management portfolio of approximately 53,000 residential units. See “THE FACILITIES AND PROJECT PARTICIPANTS – The Facilities” and “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES – General.”

Following a formal competitive sale process, the bid of \$66,000,000 submitted by an affiliate of the Project Administrator, Standard Property Company, Inc. (the “Affiliate”), was selected by the current owner and the Affiliate subsequently entered into the Purchase Agreement with the current owner of the Project, and pursuant to that agreement, assigned its purchase right to an affiliate, Standard, the owner of the Series 2020B Bonds. Pursuant to the Purchase Agreement, Standard entered into an assignment and assumption agreement for purchase and sale of the Project with the Authority, subject to certain conditions precedent. The Authority is

acquiring a fee simple interest in the Project pursuant to the Purchase Agreement as assigned under the Assignment and Assumption between the Authority and Standard.

The Authority, as assignee of Standard, is acquiring a fee simple interest in the Facilities and the land and real property constituting the Facilities located in the City of Carson, California, legally described in the Regulatory Agreement (together with the Facilities, the “Project”) pursuant to an Assignment and Assumption of Agreement for Purchase and Sale and Joint Escrow Instructions (the “Assignment and Assumption Agreement”) between the Authority and Standard.

As of November 10, 2020, the residential rental units are approximately 99% occupied and consist of all market rate units with no income restrictions. There is one non-revenue model unit. Certain of the units are currently leased in the name of corporate entities. None of those leases held in the name of corporate entities will extend for more than one year from the Closing Date, and in accordance with the Regulatory Agreement, all new and renewed leases will be required to be executed in the name of the persons occupying the units. While the Facilities are currently operated as a market-rate rental community, in connection with the purchase thereof, the Authority will agree to certain occupancy restrictions based on household income.

For additional information on the Facilities see “THE FACILITIES AND PROJECT PARTICIPANTS – The Facilities” and “ – Leasing Restrictions,” and “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES – General.”

Leasing Restrictions

Pursuant to a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December 1, 2020 (the “Regulatory Agreement”), by and between the Authority and the Trustee, the Authority will restrict the residential rental units to households earning not more than 80% of area median income (“AMI”), not more than 100% of AMI and not more than 120% of AMI, as further described herein. Such occupancy restrictions shall be in effect with respect to the Facilities until the payment in full of the Bonds. Such restrictions contained in the Regulatory Agreement will not be applicable following certain events, including any transfer of the Facilities pursuant to or in lieu of a foreclosure under the Mortgage or other similar disposition of the Facilities. **Upon the issuance of the Series 2020A Bonds and acquisition of the Facilities, tenants currently residing in the units will not be displaced regardless of their income categorization.**

See “THE FACILITIES AND PROJECT PARTICIPANTS – Leasing Restrictions.”

Risk Factors

An investment in the Series 2020A Bonds is subject to a high degree of risk. See “RISK FACTORS” herein.

Continuing Disclosure

The Authority has entered into a Continuing Disclosure Agreement with respect to the Series 2020A Bonds in accordance with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”). An annual disclosure report containing audited financial statements and operating data of the type disclosed in this Limited Offering

Memorandum, quarterly reports and notices of certain enumerated events will also be made public in a manner set forth under the Continuing Disclosure Agreement. See “CONTINUING DISCLOSURE” herein and the form of the Continuing Disclosure Agreement attached hereto as Appendix H.

Miscellaneous

This Limited Offering Memorandum, including the Appendices hereto, contains descriptions of, among other matters, the Series 2020A Bonds, the Authority, and the Project. The form of the Indenture is included as Appendix F hereto. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to any agreements are qualified in their entirety by reference to such agreements and documents, copies of which may be obtained from the Trustee or the Authority, and all references herein to the Series 2020A Bonds are qualified in their entirety by reference to the form thereof included in the Indenture.

PLAN OF FINANCE

The proceeds of the Series 2020A Bonds will be applied by the Authority for the purpose of (i) financing the acquisition of the Project, (ii) funding deposits into the Project Acquisition Account, Series 2020 Capitalized Interest Account, Capital Expense Fund, Operating Reserve Fund, Coverage Reserve Fund, Senior Debt Service Reserve Fund, and Extraordinary Expense Fund for the Series 2020A Bonds, (iii) funding an initial deposit into the Operating Account under the Property Management Agreement, and (iv) paying the costs and expenses incidental to the issuance of the Bonds.

Concurrently with the issuance of the Series 2020A Bonds, the Authority is issuing its Series 2020B Bonds. The Series 2020B Bonds will be issued and secured on a subordinate basis to the Series 2020A Bonds under the Indenture. **The Series 2020B Bonds are not being offered pursuant to this Limited Offering Memorandum.**

The Series 2020B Bonds will be directly issued to, or at the direction of, Standard in exchange for the sale and assignment of certain assets to the Authority, including its purchase rights to the Project. See “THE AUTHORITY” herein.

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SOURCES AND USES OF FUNDS

The proceeds of the Series 2020A Bonds are expected to be used approximately in the following manner:

<u>Source of Funds:</u>	<u>Series 2020A Bonds</u>
Principal Amount of Series 2020A Bonds	\$67,675,000.00
Original Issue Premium	10,093,726.25
TOTAL:	\$77,768,726.25
<u>Use of Funds:</u>	
Deposit to Project Acquisition Account ¹	\$66,505,500.00
Deposit to Series 2020 Capitalized Interest Account ²	987,000.00
Deposit to Capital Expense Fund ³	1,000,000.00
Deposit to Operating Reserve Fund	301,000.00
Deposit to Coverage Reserve Fund	700,000.00
Deposit to Senior Debt Service Reserve Fund	3,383,750.00
Deposit to Extraordinary Expense Fund	500,000.00
Deposit to the Insurance and Tax Escrow Fund	113,025.00
Initial Payment to Standard	1,500,000.00
Costs of Issuance ⁴	2,778,451.25
TOTAL:	\$77,768,726.25

1. Includes the acquisition price of the property of \$66,000,000.00 plus \$505,500.00 to be transferred to the Operating Account under the Property Management Agreement.

2. The Series 2020 Capitalized Interest Account is for the Series 2020A Bonds only.

3. The amount of the deposit to the Capital Expense Fund includes the amount recommended in the Property Condition Report (Appendix D hereto), together with additional funds for unanticipated capital expenses to residential and commercial portions of the Facilities.

4. Costs of issuance includes legal fees, Underwriter's fees and expenses, printing fees, Authority fees, certain reimbursements to affiliates of the Project Administrator and other fees and expenses associated with the offering and certain costs and expenses associated with the acquisition of the property.

Note: The original principal balance of the Series 2020B Bonds is \$3,000,000.

THE SERIES 2020A BONDS

The Series 2020A Bonds are available in book-entry-only form. See “Book-Entry-Only System” below. So long as Cede & Co., as nominee of The Depository Trust Company (“DTC”), is the registered owner of the Series 2020A Bonds, references herein (except under the heading “TAX MATTERS”) to the Series 2020A Bondholders or holders or Owners or registered owners of the Series 2020A Bonds means Cede & Co. and not the beneficial owners of the Series 2020A Bonds.

General Description

The Series 2020A Bonds will be issued as fully registered bonds, without coupons, in Authorized Denominations, but not in excess of the aggregate principal amount of Series 2020A Bonds then Outstanding. The Series 2020A Bonds will be payable, as to principal and interest in any coin or currency of the United States of America which at the time of payment is legal tender

for the payment of public and private debts. Interest on the Series 2020A Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months.

The Series 2020A Bonds will be dated the date of their initial delivery and will bear interest from such date at the rates, and will mature, subject to earlier redemption, on the dates and in the amounts, all as set forth on the inside front cover page of this Limited Offering Memorandum. Interest on the Series 2020A Bonds will be payable semiannually on each January 1 and July 1 (each, an “Interest Payment Date”), beginning July 1, 2021, at the interest rate stated thereon. Interest is payable from (a) the Closing Date if authenticated prior to July 1, 2021, or (b) otherwise from January 1 or July 1 that is, or immediately precedes, the date on which it is authenticated (unless payment of interest thereon is in default, in which case the Series 2020A Bond shall bear interest from the date to which interest has been paid).

The Series 2020A Bonds are payable at maturity in the principal amounts set forth on the inside front cover page, plus, in each case, accrued interest to their respective Maturity Dates.

The following two paragraphs apply to the Series 2020A Bonds only if the Series 2020A Bonds are not in the Book-Entry-Only system.

Subject to the provisions of the Indenture, interest on the Series 2020A Bonds other than interest payable at maturity or on a Redemption Date will be paid to the Person in whose name such Series 2020A Bond is registered on the Register at the close of business on the Record Date for such Interest Payment Date; payment of interest on the Series 2020A Bonds other than interest payable at maturity or on a Redemption Date will be made by check of the Trustee mailed to the Owners thereof at their addresses set forth in the Register as of the Record Date, or by wire transfer to Owners of \$1,000,000 or more in aggregate principal amount of Series 2020A Bonds at such wire transfer address in the United States as such Owner specifies in writing requesting payment by wire transfer delivered to the Trustee prior to the Record Date.

Payment of principal of the Series 2020A Bonds at maturity or on a Redemption Date will be paid upon presentation and surrender of such Series 2020A Bonds at the Trustee’s Principal Office; provided, however, no payment of principal shall be made on any Series 2020A Bond unless and until such Series 2020A Bond is tendered to the Trustee for cancellation; and provided further, that the Trustee may agree with any Owner that such Owner may, in lieu of surrendering the same for a new Series 2020A Bond, endorse on such Series 2020A Bond a record of partial payment of the principal of such Series 2020A Bond and the Trustee will pay the principal of such Series 2020A Bond by wire transfer to such Owner in accordance with the wire transfer instructions provided to the Trustee from time to time. The Trustee will maintain a record of each such partial payment made in accordance with the foregoing agreement and such record will be conclusive. Such partial payment will be valid upon payment of the amount thereof to the Owner of such Series 2020A Bond, and the Authority and the Trustee will be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement will or will not have been made upon such Series 2020A Bond by the Owner thereof and irrespective of any error or omission in such endorsement.

Transfer and Exchange of the Series 2020A Bonds

So long as the Series 2020A Bonds are in book-entry only form, Cede & Co., as nominee of DTC, will be the sole registered owner of the Series 2020A Bonds. Transfers of beneficial interests in the Series 2020A Bonds will be made as described below under “Book-Entry-Only System.”

The Series 2020A Bonds may only be sold or transferred in Authorized Denominations to Qualified Institutional Buyers or Institutional Accredited Investors or a trust or custodial arrangement in which all of the beneficial owners are either Qualified Institutional Buyers or Institutional Accredited Investors. Each initial Beneficial Owner of a Series 2020A Bond must be a Qualified Institutional Buyer or an Institutional Accredited Investor, that in each case, delivers an investor letter substantially in the form attached hereto as “APPENDIX J – FORM OF INVESTOR LETTER.” No investor letter shall be required to be delivered in connection with subsequent transfers of the Series 2020A Bonds.

Book-Entry-Only System

DTC will act as securities depository for the Series 2020A Bonds. The Series 2020A Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2020A Bonds certificate will be issued for each issue of the Series 2020A Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and together with the Direct Participants, the “Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2020A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020A Bonds on DTC's records. The ownership interest of each actual purchaser of Series 2020A Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2020A Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2020A Bonds, except in the event that use of the book-entry system for the Series 2020A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2020A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2020A Bonds documents. For example, Beneficial Owners may wish to ascertain that the nominee holding the Series 2020A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them. Redemption notices shall be sent to DTC. If less than all of the Series 2020A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any DTC nominee) will consent or vote with respect to the Series 2020A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2020A Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2020A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and

corresponding detail information from the Trustee or the Authority, on the date payable in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2020A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2020A Bonds certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Series 2020A Bonds certificates will be printed and delivered.

THE INFORMATION PROVIDED ABOVE HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE AUTHORITY OR UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Limited Obligations

THE SERIES 2020A BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE AUTHORITY, ANY OF ITS MEMBERS, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE SERIES 2020A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE SERIES 2020A BONDS OR ANY OF THE AUTHORITY'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE AUTHORITY HAS NO TAXING POWER.

Optional Redemption

The Series 2020A Bonds will be subject to redemption at the sole option of the Authority, in whole or in part on any date on or after July 1, 2031, from Eligible Funds, at a Redemption Price equal to the principal amount of Series 2020A Bonds called for redemption, without premium, plus accrued interest with respect thereto to the date fixed for redemption.

No Series 2020B Bonds will be optionally redeemed unless and until no Series 2020A Bonds remain outstanding. See “THE SERIES 2020B BONDS – Optional Redemption” herein.

Special Mandatory Redemption of Series 2020A Bonds

The Series 2020A Bonds will be subject to special mandatory redemption, in whole or in part, on each Interest Payment Date, from amounts held in the Excess Revenue Fund (provided that the amount thereof at least equals an Authorized Denomination), pro rata, at a redemption price of 100% of the principal amounts thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption.

No Series 2020B Bonds will be redeemed unless and until no Series 2020A Bonds remain outstanding. See “THE SERIES 2020B BONDS – Special Mandatory Redemption of the Series 2020B Bonds” herein.

Extraordinary Mandatory Redemption of Series 2020A Bonds

The Series 2020A Bonds are subject to extraordinary mandatory redemption at the direction of the Authority from amounts in the Insurance and Condemnation Proceeds Fund not to be applied to repair or replace the Project pursuant to the Indenture, in whole or in part on the earliest date following the date for which notice of redemption can be given as provided in the Indenture, at a Redemption Price equal to the principal amount of Series 2020A Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium, from proceeds of insurance (including any title insurance), or condemnation awards permitted or required to be applied to such redemption under the Indenture.

No Series 2020B Bonds will be redeemed unless and until no Series 2020A Bonds remain outstanding. See “THE SERIES 2020B BONDS –Extraordinary Mandatory Redemption of the Series 2020B Bonds” herein.

Selection of Series 2020A Bonds to be Redeemed

If less than all of the Series 2020A Bonds subject to optional redemption are called for redemption, such redemption shall be applied on a pro rata basis to the principal amount of all Outstanding Series 2020A Bonds, without differentiation by maturity or within a maturity. If less than all of the Series 2020A Bonds of a single maturity are to be redeemed, such Series 2020A Bonds to be redeemed will be selected on a pro rata basis; provided, that the portion of any Series 2020A Bond of a denomination greater than the minimum Authorized Denomination for the Series 2020A Bonds to be redeemed shall be redeemed in part only in an Authorized Denomination and that, in selecting portions of Series 2020A Bonds for redemption, the Trustee shall treat each Series 2020A Bonds as representing that number of Series 2020A Bonds of the minimum Authorized

Denomination which is obtained by dividing the principal amount of such Series 2020A Bond to be redeemed in part by the minimum Authorized Denomination for such Series 2020A Bond.

Partial Redemption of Bonds

If there is called for redemption less than all of the principal of any Series 2020A Bond, the Authority will execute and the Trustee will authenticate, upon the surrender of such Series 2020A Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Series 2020A Bond so surrendered, Series 2020A Bonds of like maturity in any Authorized Denomination.

Notice of Redemption

Notice of optional redemption and extraordinary mandatory redemption will be mailed by the Trustee by first class mail postage prepaid, not less than 30 days nor more than 60 days before the Redemption Date, to the Owners of any registered Series 2020A Bonds, or portions of registered Series 2020A Bonds that are to be redeemed, at their last addresses, if any, appearing upon the Register. Notwithstanding the foregoing, with respect to any Series 2020A Bonds held under the Book-Entry-Only System, notices of redemption shall be provided in accordance with the rules and procedures established by DTC. Failure to give the notices described in this section, or any defects therein, will not in any manner affect the validity of any proceedings for redemption of any other Series 2020A Bonds for which such notice has been duly given, or for the rescission of such redemption notice.

Notice of special mandatory redemption shall be provided by the Trustee on EMMA on the date of redemption, which notice will set forth the amount of Series 2020A Bonds being redeemed pursuant to special mandatory redemption in accordance with the Indenture.

Redemption notices may be conditional, with applicable conditions specified in any such notice, and the Authority may, at its option at least five (5) days prior to the date fixed for redemption in any notice of redemption, rescind and cancel such notice of redemption by request to the Trustee and the Trustee will distribute, in the same manner as the original notice, notice of such cancellation to the recipients of the notice of redemption being cancelled.

Payment of Redeemed Bonds

Notice having been given in the manner described above, the Series 2020A Bonds or portions thereof so called for redemption will become due and payable on the redemption date so designated at the redemption price, plus interest accrued and unpaid to the redemption date and upon presentation and surrender thereof at the office specified in such notice. If, on the redemption date, moneys for the redemption of all the Series 2020A Bonds or portions thereof of any like series and maturity to be redeemed, together with interest to the redemption date, will be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Series 2020A Bonds or portions thereof of such maturity so called for redemption shall cease to accrue and become payable. If such moneys shall not be so available on the redemption date, such Series 2020A Bonds or portions thereof will continue to bear interest until paid at the same rate as they would have borne interest at had they not been called for redemption.

THE SERIES 2020B BONDS

General

The Series 2020B Bonds will be subordinate to the Series 2020A Bonds and will be secured by the herein described collateral on a subordinate basis to the Series 2020A Bonds. The Series 2020B Bonds are not being offered pursuant to this Limited Offering Memorandum. The Series 2020B Bonds will be directly issued to, or at the direction of, Standard in exchange for the sale and assignment of certain assets to the Authority, including its purchase rights to the Project. For more information regarding Standard, see “THE FACILITIES AND PROJECT PARTICIPANTS” herein and “APPENDIX A - THE PARICIPANTS AND THE FACILITIES – THE FACILITIES – General” attached hereto.

The original aggregate principal balance of the Series 2020B Bonds is \$3,000,000. The Series 2020B Bonds will mature on July 1, 2056. The Series 2020B Bonds will bear interest at 10.0% per annum.

Interest payments on the Series 2020B Bonds are due on each July 15, commencing July 15, 2021 and each January 15 and July 15 following receipt by the Trustee of Audited Financial Statements demonstrating a Debt Service Coverage Ratio of at least 1.20:1.00 (each an “Subordinate Bond Interest Payment Date”). Interest payments due on each Subordinate Bond Interest Payment Date for the Series 2020B Bonds will be the lesser of (i) \$300,000 and (ii) 10% per annum of remaining Outstanding principal amount of the Series 2020B Bonds.

To the extent funds are available in the Revenue Fund and as set forth in the description of the application of Gross Operating Revenues below, the Trustee will transfer to the Subordinate Debt Service Account of the Debt Service Fund any interest to become due and payable on the next ensuing Subordinate Bond Interest Payment Date on the Series 2020B Bonds.

Principal of the Series 2020B Bonds will be paid from funds available in the Excess Revenue Fund. No principal payments will be made on the Series 2020B Bonds unless and until no Series 2020A Bonds remain outstanding.

Optional Redemption

The Series 2020B Bonds shall be subject to redemption at the sole option of the Authority, in whole or in part on any date on or after July 1, 2031, from any legally available funds, at the Redemption Prices (expressed as a percentage of the principal amount thereof) shown below, plus accrued interest with respect thereto to the date fixed for redemption. No Series 2020B Bonds will be optionally redeemed unless and until no Series 2020A Bonds remain outstanding.

<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 2031 through June 30, 2051	110%
July 1, 2051 through July 1, 2056	100%

Special Mandatory Redemption of Series 2020B Bonds

The Series 2020B Bonds will be subject to special mandatory redemption, in whole or in part, on each Interest Payment Date, from amounts held in the Excess Revenue Fund (provided that the amount thereof at least equals an Authorized Denomination), pro rata, at a redemption price of 100% of the principal amounts thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption; provided, that no Series 2020B Bonds will be redeemed as described in this paragraph unless and until no Series 2020A Bonds remain outstanding.

Extraordinary Mandatory Redemption of Series 2020B Bonds

The Series 2020B Bonds are subject to extraordinary mandatory redemption at the direction of the Authority, from amounts in the Insurance and Condemnation Proceeds Fund not to be applied to repair or replace the Project pursuant to the Indenture, in whole or in part on the earliest date following the date for which notice of redemption can be given as provided in the Indenture, at a Redemption Price equal to the principal amount of Series 2020B Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium, from proceeds of insurance (including any title insurance), or condemnation awards permitted or required to be applied to such redemption under the Indenture; provided, that no Series 2020B Bonds will be redeemed as described in this paragraph unless and until no Series 2020A Bonds remain outstanding.

Series 2020B Bonds are Subordinate to Series 2020A Bonds

The Owners of the Series 2020B Bonds will have no right (i) to pursue or direct any remedy available to the Trustee pursuant to the Indenture or (ii) to be paid from the proceeds received by the Trustee through the exercise of any such remedy while any Series 2020A Bonds are Outstanding. The Trustee will give written notice to the Owners of the Series 2020B Bonds of its exercise of remedies. The Trustee has no obligation to consider whether remedies taken would have a Material Adverse Effect on the possibility that Owners of Series 2020B Bonds will be paid amounts in respect of such Series 2020B Bonds or to consider any effect that a remedy may have on the Owners of the Series 2020B Bonds. Upon the occurrence of an Event of Default under the Indenture, the Trustee will, at the request of Owners of at least \$1,000,000 in aggregate principal amount of Series 2020B Bonds, provide by first class mail to the Owners of at least \$1,000,000 in aggregate principal amount of the Series 2020B Bonds all reports, notices and other information thereafter received by the Trustee in connection with the Project and the Bonds at the cost of the Authority. If no Series 2020A Bonds remain Outstanding, the same remedies available with respect to the Series 2020A Bonds as set forth in the Indenture will be available with respect to the Series 2020B Bonds.

Further, in the event the Trustee fails to pay the Owners of the Series 2020B Bonds scheduled payments on the Series 2020B Bonds from funds rightfully on deposit in the Subordinate Debt Service Account when permitted to be paid under the Indenture, or the Trustee is not properly allocating the Gross Operating Revenues and other funds constituting the Revenues and other assets pledged under the Indenture to the Subordinate Debt Service Account or any other Account created exclusively for the Series 2020B Bonds, in accordance with the priorities set forth in the Indenture, and the terms and provisions thereof, the Subordinate Owners will have the right

by mandamus or other suit, action or proceeding at law or in equity to compel the Trustee to make such payments or allocations in accordance with the priorities set forth in the Indenture, and the terms and the provisions thereof; provided, that except as expressly set forth in the Indenture, such action will not be at the expense of the Revenues and other assets pledged under the Indenture.

Subject to the consent of the Authority (which consent may be withheld for any reason or no reason), the Holder of the Series 2020B Bonds will have the right (but not the obligation) to advance funds to cure a default under the Indenture with respect to the Series 2020A Bonds by paying to the Trustee for deposit into the Senior Debt Service Account the amount which is needed, after application by the Trustee of funds from any other available source, to prevent such a default on the Series 2020A Bonds. In the event that there are expenses related to the Property which are necessary in order to maintain the Property as a safe and sanitary residential rental facility or to pay for Taxes or Insurance Costs, and there is no other source of funds available to the Trustee to pay for such costs in a timely manner, subject to the consent of the Authority (which consent may be withheld for any reason or no reason), the Holder of the Series 2020B Bonds will have the right (but not the obligation) to pay to the Trustee for deposit into the appropriate fund or account the amount necessary for the payment thereof.

Any amount advanced by the Holder of the Series 2020B Bonds (collectively, the “Subordinate Bondholder Protective Advances”) pursuant to the Indenture will be reimbursed from the Excess Revenue Fund with interest at 10% per annum (no compounding) as provided in the Indenture. Such interest will not be exempt from federal income tax.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS

Pledge Under the Indenture

Under the terms of the Indenture, the Series 2020A Bonds are secured by a pledge of all of the (a) Revenues and (b) any other amounts (including proceeds of the sale of Series 2020A Bonds) held by the Trustee in any Fund or Account established pursuant to the Indenture (other than the Rebate Fund and the Extraordinary Expense Fund).

Pursuant to the terms of the Indenture, the Series 2020A Bonds are issued on a priority basis over the Series 2020B Bonds. The Series 2020A Bonds have a first lien on the Trust Estate and will be secured by the first lien Mortgage and the Series 2020B Bonds have a second lien on the Trust Estate and will be secured on a subordinate basis to the Series 2020A Bonds under the Mortgage.

“**Revenues**” means the Gross Operating Revenues and all amounts received by the Authority or the Trustee pursuant to the Mortgage, the Project Administration Agreement, the Property Management Agreement and the Public Benefit Agreement and all proceeds of any collateral thereunder, including, without limiting the generality of the foregoing, Insurance Proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture (except any subaccounts of the Project Fund that are otherwise pledged and the Extraordinary Expense Fund and the Rebate Fund).

“**Gross Operating Revenues**” means all revenue and income of any kind derived directly or indirectly from operations at the Project, properly attributable to the period under consideration, determined in accordance with Generally Accepted Accounting Principles and a uniform system of accounts (except that in determining the amount deposited into the Revenue Fund, such determination shall be made on a cash basis and except that revenues paid with respect to use of any part of the Project with respect to particular months or other period will be considered properly attributable to those months or other period even if received by the Trustee before or after), except that the following shall not be included in determining Gross Operating Revenues: (a) receipts from the financing, sale or other disposition of capital assets and other items not in the ordinary course of the Project’s operations and income derived from securities and other property acquired and held for investment; (b) receipts from awards or sales in connection with any Taking, from other transfers in lieu of and under the threat of any Taking, and other receipts in connection with any Taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Project; (c) proceeds of any insurance, including the proceeds of any Business Interruption Insurance maintained pursuant to the Project Administration Agreement; (d) proceeds of any financing; and (e) interest earned on funds held in any Fund or Account.

Limited Obligations

THE SERIES 2020A BONDS AND INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE AUTHORITY, ANY OF ITS MEMBERS, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE SERIES 2020A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE SERIES 2020A BONDS OR ANY OF THE AUTHORITY’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE AUTHORITY HAS NO TAXING POWER.

Reserve Funds

Senior Debt Service Reserve Fund. On the Closing Date, a portion of the proceeds of the Series 2020A Bonds in the amount of \$3,383,750 shall be deposited into the Senior Debt Service Reserve Fund to satisfy the Senior Reserve Fund Requirement. The “Senior Reserve Fund Requirement” with respect to the Series 2020A Bonds means, as of the date of calculation, amounts needed to pay interest on the Outstanding Series 2020A Bonds, as calculated for the next ensuing Operating Year and any future Operating Year in which such sum is largest.

The Trustee shall apply amounts from the Senior Debt Service Reserve Fund to the extent necessary to cure any deficiency in the Senior Debt Service Account pursuant to the provisions

described under “ – Debt Service Fund; Transfers to the Debt Service Fund – *Transfers to the Debt Service Fund*” below. Notwithstanding anything in the Indenture to the contrary, the Senior Debt Service Reserve Fund shall only secure the Series 2020A Bonds.

Subject to the provisions of the Indenture relating to the valuation and application of interest earnings, if on the last Business Day preceding each Interest Payment Date the amount on deposit in the Senior Debt Service Reserve Fund shall exceed the Senior Reserve Fund Requirement, the Trustee shall deposit such amounts in the Senior Debt Service Account.

In the event of a draw on the Senior Debt Service Reserve Fund, the Trustee shall restore the amount on deposit to equal the Senior Reserve Fund Requirement as set forth in the Indenture.

In the event of the refunding of the Series 2020A Bonds (or portions thereof), the Trustee shall, upon the Direction of the Authority, withdraw from the Senior Debt Service Reserve Fund any or all of the amounts on deposit therein with respect to the Series 2020A Bonds being refunded and apply such amounts to the payment of the principal of and interest on the Series 2020A Bonds (or portions thereof) being refunded; provided, that such withdrawal for a partial redemption shall not be made unless:

(i) immediately thereafter the Series 2020A Bonds (or portions thereof) being refunded shall be deemed to have been paid or defeased pursuant to the Indenture, and

(ii) the amount remaining in the Senior Debt Service Reserve Fund after such withdrawal, taking into account any deposits to be made in the Senior Debt Service Reserve Fund in connection with such refunding, shall not be less than the Senior Reserve Fund Requirement.

Operating Reserve Fund. On the Closing Date, a portion of the proceeds of the Series 2020A Bonds in the amount of \$301,000, equal to the Operating Reserve Requirement, shall be deposited into the Operating Reserve Fund. “Operating Reserve Requirement” means \$301,000. Thereafter the Trustee shall deposit funds into the Operating Reserve Fund in accordance with “ – Application of Revenues” below. The Trustee shall make disbursements of moneys in the Operating Reserve Fund pursuant to and in accordance with a Request of the Project Administrator (with the written approval of the Authority) in substantially the form attached to the Indenture for the purposes of paying (i) first, Operating Expenses then due, to the extent funds in the Operating Account are insufficient, (ii) second, Capital Expenses then due, to the extent funds available in the Capital Expense Fund are insufficient, (iii) third, to pay any unpaid Administration Fee and accrued interest thereon to the extent provided in the Project Administration Agreement, and (iv) fourth, to pay any unpaid Administrative Expenses in excess of amounts available in the Administrative Expenses Fund.

Subject to the above paragraph, the Trustee shall apply amounts on deposit in the Operating Reserve Fund to the extent necessary to cure any deficiency in the Senior Debt Service Account pursuant to the provisions described under “ – Debt Service Fund; Transfers to the Debt Service Fund – *Transfers to the Debt Service Fund*” below.

If at any time, the amount on deposit in the Operating Reserve Fund exceeds the Operating Reserve Requirement, amounts in excess of the Operating Reserve Requirement shall be deposited into the Revenue Fund.

The Trustee shall also make disbursements of moneys in the Operating Reserve Fund pursuant to and in accordance with a Request of the Project Administrator (with the written approval of the Authority) in substantially the form attached to the Indenture for the purposes of paying Extraordinary Costs and Expenses and other expenses; provided, however, that Extraordinary Costs and Expenses incurred by the Authority shall be paid first from the Extraordinary Expense Fund.

Upon the receipt of a Request of the Project Administrator, the Trustee shall also apply amounts in the Operating Reserve Fund as directed by the Project Administrator (i) for repair or replacement of the Project in the event of casualty damage or (ii) for the payment of Emergency Expenses.

Capital Expense Fund. On the Closing Date, a portion of the proceeds of the Series 2020A Bonds in the amount of \$1,000,000 shall be deposited into the Capital Expense Fund and shall be used to pay for the costs of certain Capital Improvements (see “THE FACILITIES AND THE PROJECT PARTICIPANTS – The Facilities”).

After the Closing Date, the Capital Expense Fund shall be funded in accordance with the provisions described under “ – Application of Revenues” below in an amount equal to \$290 per unit per year until December 31, 2021, and thereafter shall be increased by 3% per Fiscal Year until no Series 2020A Bonds remain outstanding or such higher amount as determined by an approved operating Plan and Budget (the “Capital Expense Requirement”). Funds in the Capital Expense Fund shall be disbursed by the Trustee to the Capital Account (defined below) established under the Property Management Agreement pursuant to and in accordance with a Request of the Project Administrator in substantially the form attached to the Indenture and delivered to the Trustee for the purposes of paying (i) Capital Expenses included in the Capital Budget or otherwise expressly authorized by the Project Administration Agreement, and (ii) Capital Expenses not included in the Capital Budget with the prior written consent of the Authority. The Trustee shall transfer amounts from the Capital Expense Fund to the Senior Debt Service Account as provided in the Indenture to the extent necessary to cure any deficiency in the Senior Debt Service Account.

Unless an Event of Default under the Project Administration Agreement has occurred and is continuing or the Project Administration Agreement has been terminated, the Trustee shall make disbursements of moneys in the Capital Expense Fund pursuant to and in accordance with a Request of Project Administrator in substantially the form attached to the Indenture for the purposes of paying (i) for Capital Expenses included in the Capital Budget or otherwise expressly authorized by the Project Administration Agreement, and (ii) Capital Expenses not included in the Capital Budget with the prior written consent of the Authority (in accordance with the Project Administration Agreement). If an Event of Default under the Project Administration Agreement occurred and is continuing under the Project Administration Agreement, the Trustee shall make disbursements pursuant to and in accordance with a Request of Project Administrator (with the prior written consent of the Controlling Party) in substantially the form attached to the Indenture for the purposes and in the manner described in the immediately preceding sentence; provided, that the Project Administrator shall provide a weekly report summarizing all amounts paid out of the Capital Expense Fund during each week to the Authority.

Coverage Reserve Fund. On the Closing Date, a portion of the proceeds of the Series 2020A Bonds in the amount of \$700,000 shall be deposited into the Coverage Reserve Fund to meet the Coverage Reserve Fund Requirement. The “Coverage Reserve Fund Requirement” means for each Operating Year, the greater of \$700,000 or an amount necessary to cause the Debt Service Coverage Ratio to equal 1.20:1.00. Moneys in the Coverage Reserve Fund shall be used to the extent necessary to cure any deficiency in the Senior Debt Service Account pursuant to the Indenture. If at any time, the Trustee receives a Certificate of the Project Administrator based on the most recent Audited Financial Statements evidencing for the 12-month period covered in such Audited Financial Statements a Debt Service Coverage Ratio of at least 1.20:1.00, and provided that no Event of Default under the Indenture shall have occurred and is continuing, the balance of the Coverage Reserve Fund shall be transferred to the Revenue Fund. Upon such transfer, the Coverage Reserve Fund shall be closed.

Extraordinary Expense Fund. On the Closing Date, a portion of the proceeds of the Series 2020A Bonds in the amount of \$500,000 shall be deposited into the Extraordinary Expense Fund. After the Closing Date, the Extraordinary Expense Fund shall be funded in accordance with the provisions described under “ – Application of Revenues” below in an amount equal to at least \$500,000 (the “Extraordinary Expense Fund Requirement”). Amounts on deposit in the Extraordinary Expense Fund are not part of the Trust Estate, are not pledged to the security of the Bonds and shall be used only for the purpose of paying Extraordinary Costs and Expenses or such other costs related to the Project that the Authority in its sole and absolute discretion elects to pay (which the Authority may decline to pay for any reason or no reason). The Trustee will disburse moneys from the Extraordinary Expense Fund to the Authority or as designated by the Authority upon receipt by the Trustee of a Request of the Authority pursuant to the Indenture. After discharge of the Indenture, the Authority shall retain any monies in the Extraordinary Expense Fund, unless a different arrangement is agreed to at the Authority’s discretion. Except in the case of its willful misconduct, the Authority shall not be liable or obligated to account to any Person, for the amounts it requisitions from the Extraordinary Expense Fund either before or after discharge of the Indenture or the nature of purpose for which such funds are expended, which shall be in the Authority’s sole discretion.

Mortgage Security on the Project

To secure the payment of principal of and interest on the Bonds and Subordinate Bondholder Protective Advances, the Authority will grant the Trustee under the Mortgage a lien on, and security interest in, certain land, real property and improvements thereto (including the fee simple title of the Authority in the Project) and the right, title and interests of the Authority in the revenues of the Project (the “Mortgaged Property”). The Mortgaged Property includes generally all the land, buildings, fixtures and equipment comprising the Project. The lien of the Mortgage will be subject to certain Permitted Encumbrances.

Pursuant to the terms of the Indenture, the Series 2020A Bonds are issued on a priority basis with the Series 2020A Bonds having a senior lien priority over the Series 2020B Bonds and Subordinate Bondholder Protective Advances.

Assignments

The Authority is assigning to the Trustee its rights, title and interest in and to the Project, the Project Administration Agreement and the Property Management Agreement as part of the Trust Estate, including all proceeds thereof and all security interests provided for therein.

Pledge and Payment to Trustee of Revenues

Under the Mortgage and the Indenture, the Authority assigns and pledges to the Trustee and grants the Trustee a security interest in all of the Revenues, including Gross Operating Revenues, which includes generally all the revenue and income of any kind derived directly or indirectly from operations at the Project, including all tenant payments for rent and services received from the residents of the Facilities. See “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES” and “APPENDIX F – FORM OF INDENTURE.” Pursuant to the Property Management Agreement, the Property Manager must deposit all Gross Operating Revenues directly into Collections Account held in the name of the Authority. Funds in the Collections Account, which will be subject to a deposit account control agreement, will be swept weekly into Revenue Fund under the Indenture. The Trustee is required to make payments out of the Revenue Fund as required under the Indenture in the order of priority specified in the Indenture. See “ – Application of Revenues” below.

Exercise of Remedies

Pursuant to the terms of the Indenture, the Series 2020A Bonds are issued on a priority basis over the Series 2020B Bonds.

The Series 2020A Bonds shall have a senior lien on the Trust Estate and the Series 2020B Bonds shall have a subordinate lien on the Trust Estate. Pursuant to the Mortgage, the Series 2020B Bondholders shall not be entitled to exercise any rights and remedies with respect to the Project or against the Authority (including, but not limited to, foreclosure, appointment of a receiver, exercise of the assignment of rents, approval or other rights with respect to any lease of space within the Facilities, or any sublease, assignment or modification to any such lease, or rights with respect to condemnation and insurance) unless and until the Series 2020A Bonds have been paid in full.

Funds and Accounts

Establishment of Funds and Accounts. Pursuant to the Indenture, there are established by the Authority the following funds and accounts within funds, each of which shall be held by the Trustee in trust for the Bondholders (except for the Rebate Fund and the Extraordinary Expense Fund):

(a) “Project Fund,” and within such Fund the “Project Acquisition Account”, “Series 2020 Capitalized Interest Account,” and the “Series 2020 Costs of Issuance Account”;

(b) “Revenue Fund”;

- (c) “Debt Service Fund,” and within such fund a “Senior Debt Service Account”, a “Senior Redemption Account,” a “Subordinate Debt Service Account” and a “Subordinate Redemption Account”;
- (d) “Rebate Fund”;
- (e) “Extraordinary Expense Fund”;
- (f) “Capital Expense Fund”;
- (g) “Insurance and Tax Escrow Fund”;
- (h) “Senior Debt Service Reserve Fund”;
- (i) “Operating Reserve Fund”;
- (j) “Coverage Reserve Fund”;
- (k) “Administration Fee Fund”;
- (l) “Administrative Expenses Fund”; and
- (m) “Excess Revenue Fund.”

Application of Revenues

The Property Manager will collect when due all rents, fees, charges and other amounts receivable in connection with the management and operation of the Project and will deposit such receipts (except for tenants’ security deposits, which will be deposited into a separate account for security deposits in accordance with the Property Management Agreement) in the Collections Account. Amounts in the Collections Account will be swept weekly into the Revenue Fund.

On each Funds Transfer Date, the Trustee is required in the Indenture to make payments from amounts then on deposit in the Revenue Fund in the following order of priority:

First, to the Operating Account, one-twelfth of the amount specified in the Operating Plan and Budget for the Budgeted Operating Expenses less Insurance Costs and Taxes, as certified by the Project Administrator in writing to the Trustee;

Second, to the Insurance and Tax Escrow Fund, the sum of one-twelfth of the amount budgeted by the Project Administrator in the Operating Plan and Budget for annual Insurance Costs and Taxes required to be maintained for the Project and 100% of any unbudgeted Insurance Costs based on an insurance quote obtained by the Project Administrator, as certified by the Project Administrator in writing to the Trustee, provided that distribution by the Trustee to the Insurance and Tax Escrow Fund in respect of the first date on which Insurance Costs or Taxes are payable will be made in amounts equal to the quotient obtained by dividing the amount of such Insurance Costs and Taxes by the

respective number of months, including the month of computation, to and including the months prior to the month in which such Insurance Costs or Taxes are payable;

Third, to the Administrative Expenses Fund an amount equal to one-twelfth of the annual Administrative Expenses, as certified by the Project Administrator in writing to the Trustee;

Fourth, to the Capital Expense Fund, an amount equal to one-twelfth of the Capital Expense Requirement for such Fiscal Year together with other amounts otherwise provided under the approved Capital Budget, certified by the Project Administrator in writing to the Trustee;

Fifth, to the Administration Fee Fund, an amount due to the Project Administrator for such month pursuant to the Project Administration Agreement, as certified by the Project Administrator in writing to the Trustee;

Sixth, to the Rebate Fund, an amount (as determined by the Authority) which together with moneys on deposit in such Fund, will equal the aggregate amount required to be on deposit therein pursuant to the Tax Certificate delivered in connection with the issuance of each Series of Bonds;

Seventh, to the Senior Debt Service Account of the Debt Service Fund, the Interest Requirement for the Outstanding Senior Bonds for such month, together with an amount equal to any unfunded Interest Requirement for any prior month;

Eighth, to the Senior Debt Service Reserve Fund, an amount equal to the Senior Reserve Fund Requirement after taking into account moneys on deposit in such Fund, in accordance with the provisions of the Indenture;

Ninth, to the Operating Reserve Fund, an amount equal to the Operating Reserve Requirement after taking into account moneys on deposit in such Fund;

Tenth, to the Coverage Reserve Fund, an amount equal to the Coverage Reserve Fund Requirement after taking into account moneys on deposit in such Fund in accordance with the provisions of the Indenture;

Eleventh, to the Extraordinary Expense Fund, an amount which, together with moneys on deposit in such Fund, will equal the Extraordinary Expense Fund Requirement;

Twelfth, to the Subordinate Debt Service Account of the Debt Service Fund the interest to become due and payable on the next ensuing Subordinate Bond Interest Payment Date on the Outstanding Subordinate Bonds;

Thirteenth, to the Excess Revenue Fund, the balance, if any, of moneys remaining in the Revenue Fund.

The Project Administrator will provide written certification to the Trustee with respect to any amounts required to be deposited or transferred in connection with the operation of the project as necessary. See also “APPENDIX F – FORM OF INDENTURE – Flow of Funds.”

Project Fund

The Project Fund will be established under the Indenture and a portion of the proceeds of the Series 2020A Bonds will be deposited into the Project Acquisition Account of the Project Fund. The Trustee will make a disbursement from the Project Acquisition Account pursuant to and in accordance with a Request of the Project Administrator in substantially the form attached to the Indenture and submitted to the Trustee on the Closing Date for the purposes of paying a portion of the purchase price of the Project or transferring moneys temporarily deposited therein to accounts held under the Property Management Agreement or other accounts as set forth in the Request of the Project Administrator.

On the Business Day prior to each Interest Payment Date, commencing with the first Interest Payment Date following the Closing Date, the Trustee is required to transfer from the Series 2020 Capitalized Interest Account of the Project Fund to the Senior Debt Service Account of the Debt Service Fund, without submission of any Request of the Project Administrator or any other party, the amount necessary to pay interest due on the Series 2020A Bonds on the next succeeding Business Day, after taking into account all amounts then on deposit in the Senior Debt Service Account of the Debt Service Fund, including by way of transfers from the Revenue Fund made since the preceding Interest Payment Date. If at any time, the Trustee receives a Certificate of the Project Administrator based on the most recent Audited Financial Statements evidencing for the 12-month period covered in such Audited Financial Statements a Debt Service Coverage Ratio of at least 1.20:1.00, and provided that no Event of Default under the Indenture shall have occurred and is continuing, the balance of the Series 2020 Capitalized Interest Account shall be transferred to the Revenue Fund. Upon such transfer, the Series 2020 Capitalized Interest Account shall be closed.

A portion of the proceeds of the Series 2020A Bonds will be deposited into the Series 2020 Costs of Issuance Account and will be used as directed in writing by the Authority to pay a portion of the costs of issuance for the Series 2020A Bonds.

Any amounts remaining in the Project Fund after the closure of all Accounts in the Project Fund shall be transferred by the Trustee to the Revenue Fund under the Indenture. Upon such transfer, the Project Fund shall be closed.

Debt Service Fund; Transfers to the Debt Service Fund

Debt Service Fund. Subject to the provisions of the Indenture, the Trustee will pay out of the appropriate Account of the Debt Service Fund on or before each Interest Payment Date for any of the Bonds the amount required for the interest payment on such Interest Payment Date, and shall pay out of the appropriate Account of the Debt Service Fund on or before each Principal Payment Date, the amount required for the Principal Payment due on such due date, provided that a supplemental indenture may provide that if any special fund, account or subaccount has been created for the payment of capitalized interest on the Bonds or any Series thereof, the Trustee will

apply any amounts transferred to the Debt Service Fund from such special fund, account or subaccount to pay such interest prior to the use of any amounts in the Debt Service Fund for such purpose. On or before any Redemption Date for Bonds to be redeemed, the Trustee shall pay out of the appropriate Account of the Debt Service Fund, from available amounts deposited therein from time to time, the Redemption Price of and interest on the Bonds then to be redeemed.

On each Subordinate Bond Interest Payment Date and provided that (1) the Senior Reserve Fund Requirement, the Coverage Reserve Fund Requirement, the Operating Reserve Requirement and the Capital Expense Requirement are met and (2) no Event of Default, or event which with the passage of time or the giving of notice or both would constitute an Event of Default has occurred and is continuing, the Trustee shall pay the amount required for the interest payment on such Subordinate Bond Interest Payment Date.

Except as otherwise provided in “ – *Transfers to the Debt Service Fund*” below, the Trustee shall apply amounts in the Senior Debt Service Account and the Subordinate Debt Service Account of the Debt Service Fund only to the payment of Debt Service on the Bonds of the same series designation, in each case in the manner and at the times described in the preceding paragraph. If any amounts remain on deposit in the Senior Debt Service Account when there are no Senior Bonds Outstanding, the Trustee shall transfer such amounts to the Revenue Fund. If any amounts remain on deposit in the Subordinate Debt Service Account when there are no Subordinate Bonds Outstanding, the Trustee shall transfer such amounts to the Revenue Fund.

Transfers to the Debt Service Fund. Notwithstanding any provision in the Indenture to the contrary, if, after taking into account any transfers expected to be made from (i) interest earned or profits realized from investments of moneys held in funds pursuant to the Indenture and (ii) the Series 2020 Capitalized Interest Account, on the second Business Day immediately preceding each Interest Payment Date and Principal Payment Date there are not on deposit in the Senior Debt Service Account amounts sufficient to pay the interest and Principal Payments to become due on the Series 2020A Bonds on such Interest Payment Date or Principal Payment Date, the Trustee shall transfer moneys to the Senior Debt Service Account from the following sources in an aggregate amount which, together with the amount then on deposit in the Senior Debt Service Account, will result in the Senior Debt Service Account having the balance required to be on deposit therein in order to pay interest payments and Principal Payments to become due and payable on such Interest Payment Date or Principal Payment Date:

First, from the Excess Revenue Fund;

Second, from the Coverage Reserve Fund;

Third, from the Subordinate Debt Service Account;

Fourth, from the Senior Debt Service Reserve Fund;

Fifth, from the Operating Reserve Fund; and

Sixth, from the Capital Expense Fund.

Insurance and Tax Escrow Fund

The Trustee shall deposit in the Insurance and Tax Escrow Fund (i) moneys transferred from the Revenue Fund in the amounts and on the dates described in the Indenture and (ii) any other amounts required to be deposited into the Insurance and Tax Escrow Fund under the Indenture or delivered to the Trustee with instructions to deposit the same therein. Moneys on deposit in the Insurance and Tax Escrow Fund shall be disbursed by the Trustee to the Project Administrator or to the governmental entity or entities directed by the Project Administrator to pay, or as reimbursement for the payment of, Taxes and Insurance Costs with respect to the Project, as provided in the Indenture.

Upon presentation to the Trustee by the Request of the Project Administrator in substantially the form attached as an exhibit to the Indenture, accompanied by copies of proper bills or statements for the payment of such Taxes and Insurance Costs, when due, the Trustee shall, not more frequently than once a month, pay to the Project Administrator to provide for the payment of, or as reimbursement for the payment of, Taxes and Insurance Costs from moneys then on deposit in the Insurance and Tax Escrow Fund.

Excess Revenue Fund

The Trustee shall deposit funds into the Excess Revenue Fund in accordance with “ – Application of Revenues” above. The Trustee is directed to transfer moneys on deposit in the Excess Revenue Fund, on or prior to each Interest Payment Date, first to the Senior Debt Service Account to satisfy any insufficiency of payments pursuant to clause *Seventh* in “ – Application of Revenues” above, second, to the redemption of Bonds pursuant to the special mandatory redemption provisions described in “THE SERIES 2020A BONDS – Special Mandatory Redemption of Series 2020A Bonds” and “THE SERIES 2020B BONDS – Special Mandatory Redemption of Series 2020B Bonds” above, and third, when no Bonds remain Outstanding, to the repayment of any Subordinate Bondholder Protective Advances under the Indenture. On the first date upon which no Bonds remain Outstanding and Subordinate Bondholder Protective Advances have been fully paid, including all required interest, any and all moneys in the Excess Revenue Fund shall be transferred by the Trustee to the Authority.

Administrative Expenses Fund

The Trustee shall deposit funds into the Administrative Expenses Fund in accordance with “ – Application of Revenues” above.

On any date on which any amounts are required to pay any Administrative Expenses, such amounts shall be withdrawn by the Trustee from the Administrative Expenses Fund for payment to the appropriate party. In the event the amount in the Administrative Expenses Fund is insufficient to pay the Administrative Expenses, the Trustee shall apply amounts in the Operating Reserve Fund for the payment of Administrative Expenses.

Insurance and Condemnation Proceeds Fund

The Insurance and Condemnation Proceeds Fund will be established under the Indenture and held by the Trustee. The Trustee shall deposit the proceeds of insurance with respect to the

Project maintained or caused to be maintained by the Authority against loss or damage by fire, lightning, and all other risks covered by the extended coverage insurance endorsement, as required pursuant to the Indenture, the proceeds of any title insurance with respect to the Project obtained pursuant to the Indenture, and the proceeds of any Taking with respect to the Project, immediately upon receipt by the Trustee, as assignee of the Authority, in the Insurance and Condemnation Proceeds Fund; provided, that if such amount is less than \$100,000, then, subject to certain conditions in the Indenture related to insurance and condemnation proceeds, such amount shall be distributed immediately to or at the Direction of the Project Administrator (with the written approval of the Authority) and shall be applied to the cost of the repair or replacement of the property damaged, destroyed or taken. After deducting therefrom the reasonable charges and expenses of the Trustee in connection with the collection of such moneys, moneys in the Insurance and Condemnation Proceeds Fund shall be disbursed or applied by the Trustee in accordance with and subject to the Indenture.

If Available Amounts are not to be applied to repair or replace the property damaged, destroyed or taken, the Trustee, upon a Request of the Project Administrator, with the approval of the Authority, shall transfer amounts in the Insurance and Condemnation Proceeds Fund on account of such damage, destruction or condemnation to the Senior Debt Service Account in order to redeem the Senior Bonds; and after all the Senior Bonds are redeemed, to the Subordinate Debt Service Account to redeem Subordinate Bonds. Upon such transfer to the Senior Debt Service Account and/or the Subordinate Debt Service Account, the Trustee shall promptly provide notice of extraordinary mandatory redemption in accordance with the Indenture.

After completion of the repairs or replacement of the property damaged, destroyed or taken, and after all costs associated therewith have been paid, the Trustee shall deposit any amounts remaining in the Insurance and Condemnation Proceeds Fund into the Revenue Fund.

Notwithstanding the above, the proceeds of Business Interruption Insurance shall be deposited by the Trustee when and as received in the Revenue Fund for application in accordance with “ – Application of Revenues” above, and if proceeds of insurance relate to any loss or damage to any property not constituting the Project, such proceeds shall be disbursed directly to the Persons legally entitled to such insurance proceeds.

Administration Fee Fund

The Trustee shall deposit funds into the Administration Fee Fund in accordance with “ – Application of Revenues” above. The Trustee shall apply amounts on deposit in the Administration Fee Fund to pay to the Project Administrator the Administration Fee then due and payable, including any accrued but unpaid Administration Fees and interest thereon, if any, pursuant to the Project Administration Agreement.

Permitted Encumbrances; Additional Bonds

The Authority covenants in the Indenture that it will not knowingly directly or indirectly create, assume or suffer to exist any mortgage, deed of trust, pledge, security interest, encumbrance, lien or charge of any kind upon the Project other than (a) the Mortgage, (b) Permitted

Encumbrances, or (c) to further secure the Series 2020A Bonds and the Series 2020B Bonds, including any Additional Bonds.

The Authority may issue Additional Bonds as Subordinate Bonds under the Indenture, which may be secured on a parity basis with the Series 2020B Bonds (collectively with the Series 2020B Bonds, the “Subordinate Bonds”), as more fully described below, solely for the purpose of (a) providing repairs or additional improvements to the Project, (b) refunding one or more Series of Bonds or portion thereof, (c) payment of costs incidental to or connected with any Additional Bond authorized in clauses (a) or (b) above or refunding of any Bonds to be refunded, (d) making deposits into the applicable reserve fund or funds, and/or (e) making any deposits into the funds and accounts required by the provision of the Supplemental Indenture authorizing such Additional Bonds.

Subject to the satisfaction of certain conditions precedent, at the sole and exclusive discretion of the Authority, one or more series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of financing or refinancing (excluding Bonds, issued for the purpose of refunding a like or different principal amount of Bonds, and authenticated and delivered pursuant to the Indenture (“Refunding Bonds”)) the construction, installation and equipping of additions, renovation, betterments, extensions, expansions, repairs or improvements to the Project. Additional Bonds of a Series issued for such purposes shall be issued in a principal amount not to exceed, together with other moneys available therefor, the Authority’s estimate of the reasonable costs of the Project to be financed or refinanced with the proceeds of the sale of such Series of Additional Bonds, including providing amounts for the costs incidental to or connected with any such Bonds and the making of any deposits into the applicable reserve fund and any of the funds and accounts required by the Indenture and the Supplemental Indenture authorizing such Series of Additional Bonds. Additional Bonds of each Series that do not otherwise constitute Refunding Bonds shall be executed by the Authority for issuance under the Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee upon the Order of the Authority, but only upon the receipt by the Trustee (in addition to the opinions and instruments required by the Indenture for the issuance of Bonds generally) of a Certificate of the Project Administrator (upon which receipt the Trustee may conclusively rely in determining whether the conditions precedent for the issuance and authentication of such Series of Additional Bonds have been satisfied) based on the most recent Audited Financial Statements evidencing for the 12-month period covered in such Audited Financial Statements a Debt Service Coverage Ratio of 1.25:1.00 (including the projected debt service on the proposed Additional Bonds as part of Debt Service).

Subject to the satisfaction of certain conditions precedent, one or more Series of Refunding Bonds may, in the Authority’s sole discretion, be issued, authenticated and delivered as Subordinate Bonds to refund all or a portion of Outstanding Bonds of one or more Series. Each Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding, including providing amounts for the costs incidental to or connected therewith, and the making of any deposits into a reserve fund and any of the funds and accounts required by the provisions of the Supplemental Indenture authorizing such Series of Refunding Bonds. See “APPENDIX F – FORM OF INDENTURE.”

Investment of Funds

Moneys in the Series 2020 Capitalized Interest Account of the Project Fund, the Senior Debt Service Reserve Fund, the Operating Reserve Fund, the Coverage Reserve Fund, and the Extraordinary Expense Fund will be invested in guaranteed investment contracts, as set forth below:

Provider Name	Funds/Accounts	Maturity	Rate
MassMutual	Coverage Reserve Fund, Series 2020 Capitalized Interest Account, Extraordinary Expense Fund	July 1, 2031	1.17%
MassMutual	Senior Debt Service Reserve Fund	July 1, 2031	1.49%

Operating Covenants of the Authority

Under the Indenture, the Authority is required to comply with certain covenants and agreements, including the following.

Debt Service Coverage; Reports. The Project Administrator, in consultation with the Authority, will determine fees, rentals, rates and charges sufficient to produce Total Net Revenues, together with funds on deposit in the Series 2020 Capitalized Interest Account of the Project Fund and the Coverage Reserve Fund as of each Annual Evaluation Date, to meet a Debt Service Coverage Ratio for each Operating Year of not less than 1.10:1.00 (the “Debt Service Coverage Requirement”).

If the Debt Service Coverage Ratio calculated as of any Annual Evaluation Date is not equal to or greater than the Debt Service Coverage Requirement, the Authority will cause the Project Administrator to select and appoint (and, if the Project Administrator fails to do so, the Authority will select and appoint), a Housing Consultant to make written recommendations regarding the fees, rentals, rates and charges imposed and collected by or on behalf of the Project Administrator and transferred to the Trustee, as required pursuant to the Indenture, in connection with the operation of the Project, and regarding improvements or changes in the operations or management of or the services rendered by the Project Administrator.

The Authority shall cause the Project Administrator to take all actions within its control to comply with the paragraph above and, other than to the extent that any of the Housing Consultant’s recommendations conflict with law or existing contracts with non-affiliates, or the Project Administrator shall in good faith determine by authorized action that such recommendations are unreasonable, impractical or unfeasible, the Project Administrator shall follow the recommendations of the Housing Consultant. So long as the Project Administrator shall, as required above, retain a Housing Consultant and so long as the Project Administrator shall follow such Housing Consultant’s recommendations subject to the above limitations, the Debt Service Coverage Requirement shall be deemed to have been complied with even if the Debt Service Coverage Ratio is below the Debt Service Coverage Requirement, and such circumstances shall not constitute an Event of Default under the Indenture, provided the Debt Service Coverage Ratio

is not below 1.00:1.00. If the Debt Service Coverage Requirement is not reattained by the second Annual Evaluation Date following the date of such report, the Controlling Party may elect to replace the Project Administrator or to select a new Housing Consultant. If the Controlling Party does not elect to replace the Project Administrator or replace the Housing Consultant, the failure to reattain the Debt Service Coverage Requirement for three consecutive Annual Evaluation Dates will constitute an Event of Default.

The Authority shall cause the Project Administrator to determine the fees, rentals, rates and charges sufficient to produce Total Net Revenues as of each Quarterly Evaluation Date at least sufficient to meet the Debt Service Coverage Requirement for the calendar quarter ending on such Quarterly Evaluation Date. If on any Quarterly Evaluation Date, the Project Administrator has failed to meet the Debt Service Coverage Requirement on each of the two most recent Quarterly Evaluation Dates, within 30 days after such Quarterly Evaluation Date, the Project Administrator shall, in consultation with the Property Manager, prepare an Operating Plan and Budget with a detailed written explanation as to the actions the Project Administrator proposes to take in order to comply with the Debt Service Coverage Requirement by the next Quarterly Evaluation Date and submit the same to the Authority and the Dissemination Agent for posting on Municipal Securities Rule Making Board's Electronic Municipal Market Access ("EMMA") system. If the Project Administrator continuously and substantially complies with the Operating Plan and Budget in good faith, failure to comply with the Debt Service Coverage Requirement will not in and of itself constitute an Event of Default under the Indenture (other than as set forth above).

The fees and expenses of the Housing Consultant shall be paid as an Operating Expense. Each party to the Project Administration Agreement shall deliver to the other party at no additional charge copies of any information, correspondence or documents delivered to the Housing Consultant contemporaneously with delivering such information, correspondence or documents to the Housing Consultant.

Public Benefit Agreement. The Authority shall comply with the Public Benefit Agreement and shall apply proceeds of any sale of the Project under and pursuant to the terms therewith while Bonds are Outstanding to the redemption of the Bonds as provided in the Indenture. See "THE SERIES 2020A BONDS – Optional Redemption."

Requirement to Seek Rating. In the event the Controlling Party requests and provides full payment of all expenses, the Authority shall use its best efforts to obtain, or shall instruct the Project Administrator pursuant to the Project Administration Agreement to seek to obtain, a rating for the Series 2020A Bonds from a Rating Agency; provided that if the Authority or the Project Administrator receives a preliminary indication (which shall mean and include the results of evaluation of criteria received) from a Rating Agency that the Series 2020A Bonds will not be assigned an Investment Grade Credit Rating, the Authority or the Project Administrator will withdraw any request to have such Rating Agency assign a rating to the Series 2020A Bonds. The Authority and the Project Administrator shall have no liability in the event the rating is not achieved. If a rating is obtained, the costs of maintaining such rating shall be paid as an Administrative Expense.

PROJECTED PRINCIPAL AND INTEREST PAYMENTS

Introduction

The following discussion describes the assumptions based on Project operations provided to the Underwriter by the Project Administrator and supported by the Appraisal (See “APPENDIX C – THE APPRAISAL”) (“Structuring Assumptions”) used by the Underwriter to calculate the projected principal and interest payments on the Series 2020A Bonds pursuant to Special Mandatory Redemptions based on the various cases described below. Potential investors are cautioned that the information under this caption of the Limited Offering Memorandum represents “forward looking statements” as described on page (iv) of this Limited Offering Memorandum.

Structuring Assumptions

General. Some Structuring Assumptions may not materialize and unanticipated events and circumstances may occur. Actual results will vary from the projections based on the Structuring Assumptions, and such variations may be material. If actual results are different from those assumed, it may have a material effect on the projections set forth under this caption. See “RISK FACTORS – Actual Results May Differ from the Appraisal and Financial Projections.”

Base Case. Assumes that Net Operating Income will be received as shown on line 33 of the projections in Appendix I hereto and the Coverage Reserve Fund and the Capitalized Interest Account is released on January 1, 2028.

Case II. Assumes that Net Operating Income as shown on line 33 of the projections in Appendix I hereto is decreased in each period by 5% and the balance in the Coverage Reserve Fund and the Capitalized Interest Account is released on January 1, 2029.

Case III. Assumes that Net Operating Income as shown on line 33 of the Projections in Appendix I hereto is decreased in each period by 5% until 12/31/2035 and then is decreased by 10% in each period thereafter. The balance in the Coverage Reserve Fund and Capitalized Interest Account are assumed to be released on January 1, 2029.

Assumed Investment Earnings. Certain funds held under the Indenture are assumed to earn interest as described in the assumptions in Appendix I hereto.

Assumed Annual Fees and Expenses. Other expenses shown on line 40 of the projections in Appendix I hereto are included in the calculation of the projected redemptions.

The following tables were prepared by the Underwriter based on the Structuring Assumptions as described above. The tables show projected redemptions as a result of revenues (based on the Structuring Assumptions above) applied pursuant to the flow of funds under the Indenture.

Projected Principal Payments from Special Mandatory Redemptions for the Series 2020A Bonds

Date	Base Case		Case II		Case III	
	Projected Principal	Interest	Projected Principal	Interest	Projected Principal	Interest
7/1/2021	-	1,776,468.75	-	1,776,468.75	-	1,776,468.75
1/1/2022	-	1,691,875.00	-	1,691,875.00	-	1,691,875.00
7/1/2022	-	1,691,875.00	-	1,691,875.00	-	1,691,875.00
1/1/2023	-	1,691,875.00	-	1,691,875.00	-	1,691,875.00
7/1/2023	-	1,691,875.00	-	1,691,875.00	-	1,691,875.00
1/1/2024	-	1,691,875.00	-	1,691,875.00	-	1,691,875.00
7/1/2024	100,000.00	1,691,875.00	-	1,691,875.00	-	1,691,875.00
1/1/2025	140,000.00	1,689,375.00	-	1,691,875.00	-	1,691,875.00
7/1/2025	-	1,685,875.00	-	1,691,875.00	-	1,691,875.00
1/1/2026	295,000.00	1,685,875.00	105,000.00	1,691,875.00	105,000.00	1,691,875.00
7/1/2026	155,000.00	1,678,500.00	-	1,689,250.00	-	1,689,250.00
1/1/2027	270,000.00	1,674,625.00	190,000.00	1,689,250.00	190,000.00	1,689,250.00
7/1/2027	230,000.00	1,667,875.00	100,000.00	1,684,500.00	100,000.00	1,684,500.00
1/1/2028 ¹	2,015,000.00	1,662,125.00	210,000.00	1,682,000.00	210,000.00	1,682,000.00
7/1/2028	340,000.00	1,611,750.00	165,000.00	1,676,750.00	165,000.00	1,676,750.00
1/1/2029 ²	455,000.00	1,603,250.00	1,780,000.00	1,672,625.00	1,780,000.00	1,672,625.00
7/1/2029	420,000.00	1,591,875.00	270,000.00	1,628,125.00	270,000.00	1,628,125.00
1/1/2030	540,000.00	1,581,375.00	385,000.00	1,621,375.00	385,000.00	1,621,375.00
7/1/2030	515,000.00	1,567,875.00	345,000.00	1,611,750.00	345,000.00	1,611,750.00
1/1/2031	630,000.00	1,555,000.00	465,000.00	1,603,125.00	465,000.00	1,603,125.00
7/1/2031	605,000.00	1,539,250.00	430,000.00	1,591,500.00	430,000.00	1,591,500.00
1/1/2032	730,000.00	1,524,125.00	545,000.00	1,580,750.00	545,000.00	1,580,750.00
7/1/2032	705,000.00	1,505,875.00	525,000.00	1,567,125.00	525,000.00	1,567,125.00
1/1/2033	835,000.00	1,488,250.00	635,000.00	1,554,000.00	635,000.00	1,554,000.00
7/1/2033	815,000.00	1,467,375.00	620,000.00	1,538,125.00	620,000.00	1,538,125.00
1/1/2034	945,000.00	1,447,000.00	735,000.00	1,522,625.00	735,000.00	1,522,625.00
7/1/2034	930,000.00	1,423,375.00	720,000.00	1,504,250.00	720,000.00	1,504,250.00
1/1/2035	1,065,000.00	1,400,125.00	840,000.00	1,486,250.00	840,000.00	1,486,250.00
7/1/2035	1,055,000.00	1,373,500.00	830,000.00	1,465,250.00	830,000.00	1,465,250.00
1/1/2036	1,190,000.00	1,347,125.00	955,000.00	1,444,500.00	955,000.00	1,444,500.00
7/1/2036	1,195,000.00	1,317,375.00	945,000.00	1,420,625.00	805,000.00	1,420,625.00
1/1/2037	1,325,000.00	1,287,500.00	1,075,000.00	1,397,000.00	930,000.00	1,400,500.00
7/1/2037	1,330,000.00	1,254,375.00	1,070,000.00	1,370,125.00	915,000.00	1,377,250.00
1/1/2038	1,475,000.00	1,221,125.00	1,205,000.00	1,343,375.00	1,050,000.00	1,354,375.00
7/1/2038	1,480,000.00	1,184,250.00	1,205,000.00	1,313,250.00	1,040,000.00	1,328,125.00
1/1/2039	1,630,000.00	1,147,250.00	1,340,000.00	1,283,125.00	1,170,000.00	1,302,125.00
7/1/2039	1,645,000.00	1,106,500.00	1,350,000.00	1,249,625.00	1,170,000.00	1,272,875.00
1/1/2040	1,790,000.00	1,065,375.00	1,485,000.00	1,215,875.00	1,305,000.00	1,243,625.00
7/1/2040	1,820,000.00	1,020,625.00	1,505,000.00	1,178,750.00	1,310,000.00	1,211,000.00
1/1/2041	1,970,000.00	975,125.00	1,640,000.00	1,141,125.00	1,450,000.00	1,178,250.00
7/1/2041	2,000,000.00	925,875.00	1,665,000.00	1,100,125.00	1,460,000.00	1,142,000.00
1/1/2042	2,155,000.00	875,875.00	1,810,000.00	1,058,500.00	1,600,000.00	1,105,500.00
7/1/2042	2,200,000.00	822,000.00	1,840,000.00	1,013,250.00	1,615,000.00	1,065,500.00
1/1/2043	2,355,000.00	767,000.00	1,985,000.00	967,250.00	1,765,000.00	1,025,125.00
7/1/2043	2,405,000.00	708,125.00	2,025,000.00	917,625.00	1,785,000.00	981,000.00
1/1/2044	2,570,000.00	648,000.00	2,175,000.00	867,000.00	1,935,000.00	936,375.00
7/1/2044	2,625,000.00	583,750.00	2,220,000.00	812,625.00	1,965,000.00	888,000.00
1/1/2045	2,795,000.00	518,125.00	2,380,000.00	757,125.00	2,120,000.00	838,875.00
7/1/2045	2,865,000.00	448,250.00	2,430,000.00	697,625.00	2,155,000.00	785,875.00
1/1/2046	3,035,000.00	376,625.00	2,595,000.00	636,875.00	2,320,000.00	732,000.00
7/1/2046	3,110,000.00	300,750.00	2,650,000.00	572,000.00	2,360,000.00	674,000.00
1/1/2047	3,295,000.00	223,000.00	2,825,000.00	505,750.00	2,525,000.00	615,000.00
7/1/2047 ³	5,625,000.00	140,625.00	2,885,000.00	435,125.00	2,580,000.00	551,875.00
1/1/2048	-	-	3,070,000.00	363,000.00	2,745,000.00	487,375.00
7/1/2048	-	-	3,115,000.00	286,250.00	2,785,000.00	418,750.00
1/1/2049	-	-	3,295,000.00	208,375.00	2,960,000.00	349,125.00
7/1/2049 ⁴	-	-	5,040,000.00	126,000.00	3,025,000.00	275,125.00
1/1/2050	-	-	-	-	3,210,000.00	199,500.00
7/1/2050 ⁵	-	-	-	-	4,770,000.00	119,250.00
1/1/2051	-	-	-	-	-	-
7/1/2051	-	-	-	-	-	-
Total	67,675,000.00	66,616,593.75	67,675,000.00	73,053,843.75	67,675,000.00	75,095,468.75

¹ In the Base Case, assumes the release of the balance of the Coverage Reserve and Capitalized Interest.
² In Case II and Case III, assumes the release of the balance of the Coverage Reserve and Capitalized Interest.
³ In the Base Case, assumes the release of the Senior Debt Service Reserve Fund.
⁴ In Case II assumes the release of the Senior Debt Service Reserve Fund.
⁵ In Case III, assumes the release of the Senior Debt Service Reserve Fund.

THE AUTHORITY

The Authority is a joint exercise of powers authority and public entity organized and existing under the laws of the State of California and pursuant to a Joint Exercise of Powers Agreement (the “Joint Exercise Agreement”), dated as of October 15, 2020, among Yolo County and the City of Woodland, as charter members, to which certain other cities and counties, including the City of Carson, have or will in the future join as additional members. The Authority is administered by a Board of Directors consisting of the Commissioners of the California Statewide Communities Development Authority. The Authority is authorized and empowered under the Act and by the Joint Exercise Agreement to issue bonds to undertake the financing and/or refinancing of any purpose or activity permitted under the Act or any other law, including projects that provide affordable local housing for low-income, median-income and moderate-income families and individuals. The League of California Cities, the California State Association of Counties, and Bridge Strategic Partners LLC (“BSP”), a registered municipal advisor, provide certain administrative services to the Authority. BSP has been appointed as the Authority’s Designated Agent under the Indenture. For additional information on the Authority see “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE PARTICIPANTS – The Authority” attached hereto.

The Authority intends in the future to issue obligations other than the Bonds to finance the acquisition of other multifamily rental housing facilities, and has the power to and may issue bonds for a broad range of other purposes. Any obligations of the Authority other than the Bonds (and any Additional Bonds issued under the Indenture) will be issued under and secured by instruments separate and apart from the Indenture and the Bonds. The security pledged to obligations other than the Bonds and any other assets of the Authority except the Trust Estate pledged to the Bonds are not available to satisfy claims of holders of the Bonds, and the Trust Estate is not available to satisfy claims of the holders of any obligations other than the Bonds. Property and funds held by or mortgaged to the Authority for a particular issue of bonds are not available to satisfy claims of holders of other issues of the Authority’s bonds.

NOTWITHSTANDING ANYTHING IN THE INDENTURE CONTAINED TO THE CONTRARY, THE AUTHORITY SHALL IN NO WAY BE LIABLE FOR ANY PAYMENT REQUIRED TO BE MADE UNDER THE INDENTURE (INCLUDING, WITHOUT LIMITATION, PRINCIPAL OF AND INTEREST ON THE BONDS AND OPERATING EXPENSES OF THE PROJECT) EXCEPT FROM THE TRUST ESTATE, TO THE EXTENT AVAILABLE UNDER AND IN ACCORDANCE WITH THE INDENTURE, AND ANY CLAIM BASED ON OR IN RESPECT OF ANY LIABILITY OF THE AUTHORITY FOR (I) THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON, OR THE REDEMPTION PRICE OF, THE BONDS, OR (II) THE PERFORMANCE OR PAYMENT OF ANY OTHER AMOUNT, COVENANT, AGREEMENT, TERM, OR CONDITION CONTAINED IN THE INDENTURE, THE MORTGAGE, OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED IN CONNECTION WITH THE BONDS SHALL BE PAYABLE SOLELY OUT OF, AND ENFORCED SOLELY AGAINST, THE TRUST ESTATE TO THE EXTENT AVAILABLE UNDER AND IN ACCORDANCE WITH THE INDENTURE, AND NOT AGAINST ANY OTHER ASSETS, PROPERTIES, OR FUNDS OF THE AUTHORITY OR AGAINST ANY ASSETS, PROPERTIES, OR FUNDS OF (A) ANY MEMBER, DIRECTOR, OFFICER, EMPLOYEE, SUCCESSOR, OR AGENT OF THE AUTHORITY, OR (B) ANY

OTHER PERSON, CORPORATION, OR PUBLIC ENTITY INCLUDING, WITHOUT LIMITATION, THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, THE STATE, ANY POLITICAL SUBDIVISION THEREOF, OR ANY AUTHORITY, PUBLIC BODY, OR INSTRUMENTALITY THEREOF.

THE FACILITIES AND PROJECT PARTICIPANTS

City of Carson Authorizations

The City Council of the City of Carson (the “Council”) adopted Resolution No. 20-166 on November 4, 2020, pursuant to which the Council authorized, among other things, the City of Carson to become an additional member of the Authority and the City of Carson’s City Manager to enter into public benefit agreements with the Authority for all Authority-financed low-income, median-income and moderate-income rental housing created within the City of Carson’s city limits, including the Public Benefit Agreement (defined herein). See “Public Benefit Agreement” below.

The Facilities

The Authority is acquiring a fee simple interest in the Project pursuant to an Assignment and Assumption Agreement between the Authority and Standard, as assignee of the Affiliate. The Affiliate has entered into the Purchase Agreement with the seller of the Project pursuant to which the seller agrees to sell and convey the Project to the Affiliate subject to certain conditions precedent and subject to certain restrictions.

The Facilities were originally developed in 2013. The Facilities are currently owned by Avalon Carson, LLC, a Delaware limited liability company (the “Seller”), and are currently managed by ConAm Management Corporation, which, according to its website, currently manages a portfolio of approximately 53,000 residential units. See “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES – General.”

The Facilities consist of a four-story building, with approximately 12,000 square feet of ground level retail space and 472 parking spaces in ground level and subterranean garages. The Facilities include a pool, spa, fireside lounge, fitness center, movie screening theater, billiards lounge, business center, conference room, outdoor recreation areas and other amenities. See “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES – General” for a more detailed description of the Facilities.

As of November 10, 2020, the residential rental units are more than 99% occupied and prior to the acquisition of the Facilities by the Authority, the units are being rented as market-rate units. As a result of the impacts of COVID-19, according to documents provided by the current owner, the Project has ten long-term delinquent residential tenants (as of November 24, 2020), three long-term delinquent retail tenants (as of November 30, 2020) (referring in both cases to tenants who have not paid all, or substantially all, of rent due under the terms their lease in at least two of the last three months), and two vacant retail spaces (as of December 7, 2020). It is unknown when and if such tenants will resume payment of rent. Under current eviction moratorium laws, it is unknown when eviction proceedings can occur and if unpaid rent can be collected. (See “Risks – Potential Impacts of Pandemics”). Certain of the units are currently held in the name of corporate

entities. None of those leases will extend for more than one year from the Closing Date, and in accordance with the Regulatory Agreement, all new and renewed residential leases will be required to be executed in the name of the persons occupying the units. While the Facilities are currently operated as a market-rate rental community, upon issuance of the Bonds and acquisition of the Facilities, the Authority will restrict the Facilities to Low Income Tenants, Median Income Tenants or Moderate Income Tenants each as defined and as further described under “ – Leasing Restrictions; Tenant Occupancy” below. **Upon the issuance of the Series 2020A Bonds and acquisition of the Facilities, tenants currently residing in the units will not be displaced regardless of their income categorization.** See “ – Leasing Restrictions; Tenant Occupancy” below for a description of the Regulatory Agreement rental requirements and the leasing and tenant occupancy turnover plan. See also “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES – Future Restrictions.”

The Facilities are located in Carson, California in southwestern Los Angeles County and a region subject to seismic activity. At the request of the Project Administrator, a Seismic Risk Assessment prepared by Partner Engineering & Science, Inc. (the “Seismic Consultant”) dated November 2, 2020 (the “Seismic Report”), was obtained with respect to the Facilities. No mandatory seismic retrofit programs were noted in the Seismic Report and the building was found to have acceptable damageability with PML score below 20%. At the request of the Project Administrator, fire life safety and Phase I environmental reports were prepared and may be made available by request to the Project Administrator and consent of the report provider.

Additionally, in connection with the acquisition of the Facilities, a Phase I Environmental Site Assessment prepared by Partner Engineering & Science, Inc. (the “Environmental Consultant”) dated November 3, 2020 (the “Site Assessment”), was obtained with respect to the Facilities. In the Site Assessment, the Environmental Consultant did not observe any recognized environmental conditions, controlled recognized environmental conditions, historical recognized environmental conditions or environmental issues during the course of its assessment. Based on the conclusions of the Site Assessment, the Environmental Consultant did not recommend any further investigation of the subject property. Copies of the Seismic Report and Site Assessment may be obtained from the Underwriter upon written request throughout the Underwriting Period.

See “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES” for a further description of the Facilities, the Market Area, the Site Assessment and the Seismic Report. See also “APPENDIX C — THE APPRAISAL” for a further description of the area in which the Facilities are located, and “APPENDIX I — FINANCIAL PROJECTIONS AND UNDERLYING ASSUMPTIONS FOR THE FACILITIES.”

The Project Administrator

The Project Administrator is Standard Renaissance Administrator LLC, a Delaware limited liability company, an affiliate of a privately held multifamily housing investor and developer, and will be responsible for monitoring, supervising and otherwise performing certain services pertaining to the operation of the Facilities pursuant to the Project Administration Agreement, pursuant to which the Project Administrator agrees to operate and manage the Facilities for the Authority, together with the Property Manager. The Project Administrator’s Principals (the “Principals”), through affiliates, have been actively engaged in institutional multifamily

investment, acquisition, development financing and asset management since 2008. The Principals' current multifamily investments include residential rental facilities throughout the United States, totaling several thousand units of market rate and affordable housing and commercial space. See “ – The Project Administration Agreement and Property Management Agreement” below.

The Project Administrator and its partners and affiliates will not be liable for payments of principal of and interest on the Series 2020A Bonds. See “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE PARTICIPANTS – The Project Administrator” for more information regarding the Project Administrator.

The Property Manager

The Property Manager will be responsible for managing the Facilities pursuant to a Property Management Agreement dated as of December 1, 2020 (the “Property Management Agreement”) between the Authority and the Property Manager pursuant to which the Authority will engage the Property Manager to conduct the day-to-day operations of the Facilities, including, among other things, marketing and advertising for dwelling unit rentals, renting the dwelling units, collecting rent, managing the payment of operating expenses for the Facilities, maintaining and repairing the Facilities, and managing on-site employees. The Property Manager is engaged in and will continue to engage in the management of similar types of housing projects. The Property Manager may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Facilities.

The Property Manager and its partners and affiliates will not be liable for payments of principal of and interest on the Series 2020A Bonds. See “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE PARTICIPANTS – The Property Manager” for more information regarding the Property Manager.

The Project Administration Agreement and Property Management Agreement

The Project Administration Agreement. The Authority and the Project Administrator are entering into the Project Administration Agreement commencing on the date of issuance of the Series 2020A Bonds and continuing for a period of one year, with automatic successive one-year renewal periods unless earlier terminated in accordance with the Project Administration Agreement. The Project Administration Agreement may be terminated for convenience by the Authority or the Project Administrator upon 30 days' written notice. Additionally, the Project Administration Agreement may be terminated (i) by either party with five days' written notice for failure to observe or perform any material term or condition of the Project Administration Agreement (including, without limitation, (x) fraud or willful misconduct on the part of the Project Administrator or its employees or (y) Project Administrator's material failure to comply with the terms and provisions of the Regulatory Agreement, including rent restrictions), or any material term of condition of any contract or agreement between the Authority and the Project Administrator relating to any other project that the Project Administrator performs services for the Authority, if such failure has persisted for (A) 15 days after written notice thereof in the case of a breach or default described in (x) or (y) above, or (B) 30 days after written notice thereof in the case of any other breach or default in this subsection (i); (ii) automatically and immediately,

without necessity for notice, in the event a petition in bankruptcy is filed by or against the Project Administrator or by the Authority and such proceeding is not dismissed within 90 days thereof, or in the event either makes an assignment generally for the benefit of creditors or takes advantage of any insolvency act, in which event the other party may terminate the Project Administration Agreement without notice to the other; and (iii) after default, by the Authority at the direction of the Controlling Party as provided in the Indenture. The Indenture sets forth certain requirements and qualifications for a replacement Project Administrator in the event of a termination of the Project Administration Agreement and replacement of the Project Administrator. See “APPENDIX F – FORM OF INDENTURE.”

Under the Project Administration Agreement, the Project Administrator agrees to monitor, supervise, coordinate, analyze and report to the Authority with respect to the Project and ensure the Property Manager’s compliance with the Property Management Agreement and monitor and ensure the Project’s compliance in all material respects with applicable laws, permits, industry practices and requirements and standards set forth in the Indenture, the Purchase Agreement, the Project Administration Agreement, the Property Management Agreement, the Mortgage, the Regulatory Agreement, the Assignment and Assumption Agreement and the Bond Purchase Agreement (collectively, the “Bond Documents”). For rendering services under the Project Administration Agreement, the Project Administrator will be paid an amount of \$105,000 annually increasing at a rate of 3% per year. Additionally, under the Project Administration Agreement, the Project Administrator will receive the following compensation and reimbursement: (i) if the Project Administrator is requested by the Authority to provide construction management services in connection with any capital improvement, rehabilitation, redevelopment, new construction or new development of all or any portion of the Project, a non-recurring construction management fee in an amount to be determined by the Project Administrator and the Authority; provided, however, that while such provision is intended to apply only to major capital improvement projects, nothing prevents the Authority from requesting such services for small projects; (ii) reimbursement for expenses directly related to the performance of the Project Administrator’s activities under the Project Administration Agreement such as expenses related to travel in the State of California; provided, however, that in no event shall employee salaries be reimbursable; and (iii) an agent or brokerage fee in connection with any future sale of the Project, to be set as a reasonable market rate for such services at the time the decision is made to sell the Project pursuant to the Public Benefit Agreement; provided, however, that if the Project Administrator designates its affiliate to serve as agent or broker pursuant to the Project Administration Agreement, such seller agent or brokerage fee shall be payable to such affiliate.

The Project Administrator will also (or will direct the Property Manager to) take all commercially reasonable action necessary to promote and provide or arrange for all usual and customary services needed to operate, repair and maintain the Project, including all of the following:

- (a) monitor and report to Authority with respect to the Property Manager’s compliance with and performance in all material respects of Property Manager’s duties under the Property Management Agreement and compliance with Project Administrator’s directions in connection therewith;

(b) monitor and take all commercially reasonable steps necessary to ensure and verify the Project's and the Property Manager's continued compliance in all material respects with the standards set forth in the Project Administration Agreement;

(c) monitor and take all commercially reasonable steps necessary to cause the Property Manager to comply with the Authority's tenant selection policies, as set forth in the Regulatory Agreement or otherwise communicated to the Project Administrator, and otherwise to verify the Project's continued compliance in all material respects with the Regulatory Agreement, including the income verification and reporting requirements thereunder;

(d) prepare and file (or direct the Property Manager to prepare and file) all necessary forms relating to the maintenance and operation of the Project required by any applicable law or permit;

(e) consult with Authority and any accountants engaged by Project Administrator on Authority's behalf, and review (but only for factual accuracy) all federal, state, city and other income or other tax returns required with respect to the Project, if any, under applicable law;

(f) engage accountants for the purpose of preparing the financial statements, audit reports and tax returns, if any, that are required of Project Administrator in performing the services under the Project Administration Agreement;

(g) when tentatively assessed valuations of any taxing authority having jurisdiction over the Project become available, report each assessment to Authority, and, if required by Authority, cooperate with any legal counsel, appraisers, or consultants retained on Authority's behalf in connection with the preparation of applications for correction of the assessed evaluation and/or tax liability, or establishing and maintaining the Project as exempt from otherwise-applicable personal or real property taxes for so long as any such exemption is available under applicable law;

(h) obtain and maintain (and direct the Property Manager to pay for as Operating Expenses) insurance with respect to the Project in accordance with the terms and provisions of the Master Insurance Schedule, and acquaint itself with all terms and conditions of all insurance policies applicable to the ownership, operation, management and maintenance of the Project, and reasonably cooperate with the Insurance Consultant and all insurance carriers; and follow, and direct the Property Manager to follow, the recommendations of the Insurance Consultant;

(i) promptly investigate and provide a written report to Authority (which Authority may utilize for its own purposes or provide to applicable insurance carrier(s)) as to all alleged accidents and/or alleged claims for damages, of which Project Administrator becomes aware related to the ownership, operation, management and maintenance of the Project (including any personal injury or property damage occurring to or claimed by any tenant or third party on or with respect to the Project) and the estimated cost of repair; and

forward to the insurance carrier any summons, subpoena or other similar legal documents served upon Project Administrator with copies to Authority;

(j) promptly notify Authority if it becomes aware of any dumping, use or leakage of any hazardous substances in or near the Project;

(k) keep appropriate inventories of all material items of personal property used in connection with the operation and maintenance of the Project;

(l) consult with the Housing Consultant if one is appointed pursuant to the Indenture and follow or direct the Property Manager to follow the recommendations of the Housing Consultant;

(m) monitor and verify that the Project is being operated in compliance with all requirements of the Bond Documents, including, without limitation, at its own and sole expense, comply with all notice requirements thereunder, and request and obtain any and all approvals or consents that may be required from time to time in connection with any operations, modifications, amendments or approvals in connection with the Project Administration Agreement or any contract with respect to the Project;

(n) direct the Property Manager to obtain and keep in full force and effect all real estate and business licenses, and governmental authorizations (including qualifications to do business) as may be necessary for the proper performance of the Property Manager's duties and obligations under the Property Management Agreement;

(o) oversee the Property Manager's use of commercially reasonable efforts to advertise, promote, and market the Project;

(p) physically inspect the Project as frequently as necessary (but not less than once per quarter, subject to any stay-at-home orders or executive orders by the Governor of the State of California after the date of the Project Administration Agreement related to the COVID-19 virus) to conduct such inspections and verifications as to enable it to perform the Services;

(q) provide the Trustee and the Authority with immediate written notice of (i) any material loss or damage to the Project or any part thereof, or (ii) any actual or threatened action or proceeding relating to any condemnation or other taking, direct or indirect, or sale or transfer in lieu of a condemnation or taking of the Project or any part thereof;

(r) provide BLX Group LLC, as the Authority's financial consultant, with any documents, information, budgets, reports or materials it may reasonably request on behalf of the Owner to perform its functions as the Authority's Program Consultant including with respect to continuing disclosure, rebate and the financial operation of the Project;

(s) in the event the Controlling Party requests and provides full payment of all expenses, seek and obtain a rating for the Series 2020A Bonds in cooperation with the Authority in accordance with the requirements of the Indenture, and cause to be paid the costs of maintaining any such rating as an Administrative Expense;

(t) to the extent not specifically addressed in paragraphs (a) through (s), above, notify the Authority in a timely manner of any occurrence, event, condition or circumstance of which the Project Administrator has knowledge that could reasonably be expected to have a material adverse effect on the business or operations of the Project;

(u) serve, or designate an affiliate of the Project Administrator to serve, as the agent or broker for the Authority in the event of a sale of the Project pursuant to the Public Benefit Agreement, provided that the Project Administrator or such affiliate, respectively, is a licensed real estate broker in the State of California; and

(v) perform all obligations of the Project Administrator under the Indenture, the Continuing Disclosure Agreement, the Regulatory Agreement and the Property Management Agreement.

The Project Administrator will also maintain appropriate accounting records, supervise all accounting functions relating to the Project, and deliver to the Authority certain annual and quarterly financial activities reports related to the Project.

Under the Project Administration Agreement, the Project Administrator must coordinate with the Property Manager to develop, prepare and submit to the Authority (with a copy to BLX Group LLC) an annual proposed Operating Plan and Budget and an annual proposed Capital Budget not less than 30 days in advance of the start of each Operating Year. The Project Administrator also will set rents, fees and charges in each Operating Year reasonably calculated to produce Total Net Revenues in each Operating Year at least sufficient to meet the Debt Service Coverage Requirement for such Operating Year. In the event a Housing Consultant is appointed pursuant to the Indenture, the Project Administrator agrees to cooperate with and advise the Authority with respect to selection of such Housing Consultant and to cooperate fully with the Housing Consultant, reviewing any report or written recommendations made by the Housing Consultant, meet with the Housing Consultant and Property Manager to discuss the Housing Consultant's reports and written recommendations and promptly implement or monitor implementation of such recommendations.

If a deviation from the Budgeted Operating Expenses by more than 10% in the aggregate (disregarding, for this purpose, any expenditure for repair or replacement of property that is paid for by security deposits, or portions thereof, retained by the Manager upon termination of a lease) is approved by the Owner, then the Project Administrator must include recommendations in its quarterly financial report as to curing any current variance between actual expense and budgeted expense and preventing future variances in same, and, if necessary after making a full analysis of the cause of the variance and possible remedies, submit to Owner for its approval in accordance with the timing and procedures set forth in the Project Administration Agreement a proposed revised Operating Plan and Budget for the remainder of such Operating Year. If at any time, there are insufficient funds in the Operating Account to pay Operating Expenses, the Project

Administrator is authorized to submit to Trustee a request substantially in the form attached to the Indenture directing a disbursement from the Operating Reserve Fund, provided that the Authority has approved such request prior to submission to the Trustee. Except as expressly set forth in the Project Administration Agreement, the Project Administrator shall not have any obligation to expend its own funds under the Project Administration Agreement except to the extent that the Authority makes funds available to it for the performance of such duties, and nothing therein shall be deemed to authorize or require Project Administrator, in its capacity as such, to expend its individual funds for payment to third parties or to undertake any individual liability or obligation on behalf of the Authority.

The Project Administrator, pursuant to the Project Administration Agreement, will also assist the Authority with the Authority's continuing disclosure obligation and provide certain financial and operating information regarding the Project and notification to the Authority, Trustee and Dissemination Agent of the occurrence of certain listed events set forth in the Continuing Disclosure Agreement.

The Property Management Agreement. The Authority and the Property Manager are entering into the Property Management Agreement commencing on the date of issuance of the Series 2020A Bonds for a one-year term with automatic successive one-year renewal periods until terminated in accordance with its terms, as described below. The Property Manager will be compensated in an amount of two and one-half percent (2.5%) of "effective gross income" per month (the "Management Fee"). The term "effective gross income" as used in this section shall be deemed to include all rents and other income and charges from the normal operation of the Project, including, but not limited to, rents, parking fees, net laundry income, utility billback/reimbursements/RUBS, forfeited security deposits, pet deposits, other fees and deposits, and other miscellaneous income. Effective gross receipts shall not be deemed to include income arising out of the sale of real property or the settlement of fire or other casualty losses and items of a similar nature.

Pursuant to the Property Management Agreement, the Authority appoints the Property Manager as agent to perform certain services relating to the management of the Project, including but not limited to cooperating with the Project Administrator in connection with the preparation, submission and approval of the Operating Plan and Budget and the capital budget and any audit of the Project's financial statements; advertising the Project; using its best efforts to keep the Project rented by procuring tenants for the Project consistent with the tenant selection policy provided to the Property Manager by the Project Administrator; negotiating, preparing and executing all rental agreements, including all renewals and extensions of rental agreements consistent with any tenant selection policy provided to Property Manager by Project Administrator; collecting when due all rents, charges and other amounts receivable on the Authority's account in connection with the management and operation of the Project; instituting, in Authority's name or in the name of the Property Manager, all legal actions or proceedings for the enforcement of any rental term, for the collection of rent or other income due to the Project, or for the eviction or dispossession of tenants or other persons from the Project; making or causing to be made all ordinary repairs and replacements reasonably necessary to preserve the Project in its present condition and for the operating efficiency of the Project, and all alterations required to comply with rental agreement requirements; entering into agreements for all necessary repairs, maintenance, minor alterations and utility services for the Project; charge rents and late fees in

accordance with the initial rent schedules reflecting the rents that the Authority is to charge; use commercially reasonable efforts to cause its employees and agents to fully comply in all material respects with applicable laws in respect of the operation of the Project; cooperate with the Project Administrator to maintain required insurance as specified in the Master Insurance Schedule; keep appropriate records and reports; and perform all functions of “manager” set forth in the Regulatory Agreement.

The Property Management Agreement may be terminated by either party with or without cause upon not less than 30 days’ prior written notice to the other party. The Property Management Agreement shall terminate in any event, and all obligations of the parties thereunder shall cease (except as to liabilities or obligations which have accrued or arisen prior to such termination, or which accrue pursuant to the Property Management Agreement as a result of such termination, and obligations to insure and indemnify), upon the occurrence of any of the following events: (i) ten (10) days after the receipt of notice by either party to the other specifying in detail a material breach of the Property Management Agreement, if such breach has not been cured within said ten (10) day period; or if such breach is of a nature that it cannot be cured within said ten (10) day period but can be cured within a reasonable time thereafter, if efforts to cure such breach have not commenced and/or such efforts are not proceeding and being continued diligently both during and after such ten (10) day period prior to the breach being cured; provided, however, that the breach of any obligation of either party under the Property Management Agreement to pay any moneys to the other party under the terms of therein shall be deemed to be curable within ten (10) days; (ii) upon the destruction of or substantial damage to the Project by any cause, or the taking of all or a substantial portion of the Project by eminent domain, in either case making it impossible or impracticable to continue operation of the Project; (iii) in the event of a sale of the Project, upon the giving of not less than thirty (30) days’ written notice by Authority to Property Manager, and (iv) default. The following constitute an “event of default” by the party in respect of which such event occurs:

1. the failure of either party to pay any amounts required to be paid by it under the Property Management Agreement or to perform any of its obligations thereunder for a period of ten (10) days after the date on which notice of the failure has been given to the defaulting party by the other party;

2. the filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy or similar creditor relief law;

3. the consent to an involuntary petition in bankruptcy or the failure by such party to vacate, within sixty (60) days from the date of entry thereof, any order approving an involuntary petition;

4. the entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating such party as bankrupt or involvement or approving a petition seeking reorganization or appointing a receiver, trustee, conservator or liquidator of all or a substantial part of such party’s assets, if such order, judgment or decree shall continue unstayed and in effect for a period of one hundred twenty (120) consecutive days;

5. the failure to fulfill any of the other covenants, undertakings, obligations or conditions set forth in the Property Management Agreement and the continuance of any such default for a period of ten (10) days after written notice of said failure;
6. theft, fraud, or other knowing or intentional misconduct by Property Manager or its employees or agents or Authority or its employees, owners, agents or assigns;
7. the interruption, freezing, or suspension of Property Manager's access to the Operating Account, for seven (7) days after written notice to the Project Administrator; and
8. Property Manager's material failure to comply with the terms and provisions of the Regulatory Agreement (including rent restrictions) for a period of ten (10) days after the date on which written notice of the failure has been given to the Property Manager.

The Property Manager also will collect when due all rents, fees, charges and other amounts receivable in connection with the management and operation of the Project and deposit such amounts (except the tenants' security deposits, which will be held separately) not later than the next business day following their receipt in the Collections Account (the "Collections Account") established pursuant to the Property Management Agreement and held in the Authority's name. Funds in the Collections Account will be swept weekly to the Revenue Fund under the Indenture and applied as set forth under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS – Application of Revenues" above.

The Property Management Agreement establishes an Operating Account (the "Operating Account") into which transfers from the Revenue Fund will be deposited as described above under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS – Application of Revenues" and transfers from the Operating Reserve Fund will be deposited as described above under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS – Reserve Funds – *Operating Reserve Fund*." Additionally, on the Closing Date, an initial deposit will be deposited into the Operating Account from proceeds of the Series 2020A Bonds. Funds in the Operating Account will be applied by the Property Manager to pay Operating Expenses of the Project authorized to be incurred pursuant to the Operating Plan and Budget. The Property Management Agreement provides that if there are insufficient funds to pay all of the Operating Expenses, the Property Manager may pay the Employee Burden before paying other Operating Expenses.

The Property Management Agreement also establishes a Capital Account (the "Capital Account") established in the Authority's name pursuant to the Property Management Agreement into which transfers from the Capital Expense Fund will be deposited upon a Request of the Project Administrator as described above under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020A BONDS – Reserve Funds – *Capital Expense Fund*." Funds in the Capital Account will be applied by the Property Manager to pay Capital Expenses of the Project authorized to be incurred pursuant to the Capital Budget.

Additionally, tenant security deposits shall be deposited by the Property Manager into the Security Deposit Account established in the Authority's name pursuant to the Property Management Agreement. To the extent permitted by law, interest earned on the funds in the

Security Deposit Account will go to the benefit of the Project and be transferred to the Collections Account at least monthly. Any part of a security deposit that is retained by the Authority for the purpose of repairing or replacing damaged property will be deposited in the Collections Account.

The Collections Account, the Operating Account, the Capital Account and the Security Deposit Account shall be subject to a deposit account control or similar agreement among the Property Manager, the Trustee and the Depository Bank (as defined in the Property Management Agreement).

Leasing Restrictions; Tenant Occupancy

Upon the acquisition of the Facilities, pursuant to the Regulatory Agreement, the Authority has agreed to use its best efforts to ensure that the following income restrictions are met as soon as practicable following the Closing Date and thereafter, at all times:

(i) no less than one-third (1/3) of the completed residential units in the Facilities shall be occupied by tenants whose income does not exceed 80% of median family income for the area defined by HUD in which Los Angeles County, California, is located, and that is used by HUD for the periodic development and presentation of income limits (the “Area”), with adjustments for family size, provided that for purposes of this definition, 80% of median gross family income shall be calculated by multiplying the amount published by HUD, for the subject period, that is equal to the HUD Very Low (50%) Income Limit for the Area by 1.6 (“Low Income Tenant”);

(ii) no less than one-third (1/3) of the completed residential units in the Facilities shall be occupied by tenants whose income does not exceed 100% of median family income for the Area, with adjustments for family size, provided that for purposes of this definition, 100% of median family income shall be calculated by multiplying the amount published by HUD, for the subject period, that is equal to the HUD Very Low (50%) Income Limit for the Area by 2 (“Median Income Tenant”); and

(iii) the balance of the completed residential units in the Facilities shall be occupied by tenants whose income does not exceed 120% of median family income for the Area, with adjustments for family size; provided that, for purposes of this definition, 120% of median family income shall be calculated by multiplying the amount published by HUD, for the subject period, that is equal to the HUD Very Low (50%) Income Limit for the Area by 2.4 (“Moderate Income Tenant”);

provided that, any unit remaining vacant for at least 15 consecutive days may be offered and leased to Low Income Tenants, Median Income Tenants or Moderate Income Tenants without regard for the requirements set forth in (i) through (iii) above.

Maximum allowable rents for each income category will not exceed 35% of the respective income limit for the Area, adjusted for household size, as published annually or otherwise by HUD.

For one-bedroom units, household size is assumed to be 2. For two-bedroom units, household size is assumed to be 3. For three-bedroom units, household size is assumed to be 4.5.

The occupancy restrictions in the Regulatory Agreement shall be in effect from the date of issuance of the Series 2020A Bonds until the payment in full of the Series 2020A Bonds and Series 2020B Bonds; provided such restrictions will not be applicable following certain events, including any transfer of the Facilities pursuant to or in lieu of a foreclosure under the Mortgage or other similar disposition of the Facilities.

Notwithstanding the targeted income restrictions described above, on the Closing Date, tenants currently residing in units will not be displaced regardless of income category. Upon the expiration of a tenant's current in-place lease, such tenant whose income and household occupancy qualify him, her or them in the Low Income Tenant, Median Income Tenant or Moderate Income Tenant categories will be provided an opportunity to either (i) vacate the unit or (ii) remain in their current unit at the lesser of (x) the current market rate rent and (y) the maximum allowable rent under the income restriction category in which such tenant qualifies. If such tenant's current rent is above the maximum allowable rent for the income restriction category for which such tenant qualifies, such tenant will be granted a rent decrease to the maximum allowable rent for that income restriction category for the next leasing year. If the tenant's current rent is below the market rate rent or the maximum allowable rent for the income restriction category for which such tenant qualifies, such tenant would experience an increase in rent to the lesser of the market rate rent or maximum allowable rent for that income restriction category for the next leasing year, subject to a 4% cap on rent increases annually.

For existing tenants whose income and household occupancy disqualify them as a Low Income Tenant, Median Income Tenant or Moderate Income Tenant, those tenants will be provided an opportunity to choose to either (i) vacate the unit or (ii) remain in their current unit at the current market rate rent. If such tenant chooses to remain in the current unit and the rent increases, such increase will not be capped.

Any unoccupied units on the Closing Date will be rented to Low Income Tenants, Median Income Tenants and/or Moderate Income Tenants. The Authority will use its best efforts, working with the Project Administrator, to ensure that as vacated units become available, such units are filled with Low Income Tenants, Median Income Tenants and Moderate Income Tenants, as applicable, to meet the requirements of the Regulatory Agreement. See "APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES – Future Restrictions."

There can be no assurance that the Authority can meet the targeted income restriction categories due to the availability of qualified tenants for each income restriction category.

See "APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE FACILITIES – Future Restrictions."

Property Tax Exemption

The Project is eligible for an exemption from certain taxes including ad valorem real estate taxes and voter approved taxes (collectively, the "Real Estate Taxes") pursuant to Sections 3(b) and 11 of Article XIII of the California Constitution by virtue of being owned by the Authority. Upon acquisition of the Facilities, in order to obtain the exemption, the Authority must file a change in ownership report with Los Angeles County in connection with recording the deed with

the applicable county recorder and the property tax exemption will apply automatically by virtue of California law. On the Closing Date, Meyers Nave Riback Silver & Wilson, PLC will deliver the opinion that the Facilities are exempt from Real Estate Taxes pursuant to Sections 3(b) and 11 of Article XIII of the California Constitution by virtue of being owned by the Authority as a “local government” as defined in Article XIII of the California Constitution. The Project remains subject to certain “direct assessments” which amounts are reflected as “Assessments” in “APPENDIX I – FINANCIAL PROJECTIONS AND UNDERLYING ASSUMPTIONS FOR THE FACILITIES.” See “APPENDIX B – FORM OF PROPERTY TAX EXEMPTION OPINION.”

Public Benefit Agreement

The Project is subject to a Public Benefit Agreement dated as of December 1, 2020 (the “Public Benefit Agreement”) between the Authority and the City of Carson, California (the “Host”). Pursuant to the Public Benefit Agreement, commencing 15 years after the date of issuance of the Series 2020A Bonds (the “Sale Right Exercise Date”), and for a period of time thereafter terminating at 11:59 p.m. local time on the date that is 14 years from the Sale Right Exercise Date, the Host shall have the right to cause the Authority to sell all of the Authority’s right, title and interest (which includes fee simple title to the real property) in and to all property and assets used in or otherwise related to the operation of the Project (that transaction or series of transactions by which Authority shall transfer, bargain, sell and convey any and all right, title or interest in and to the Property, a “Conveyance”) at a sale price at least equal to the sum of (i) an amount sufficient to prepay, redeem in whole or fully defease for redemption on the earliest call date any debt (including the Bonds) secured by the Project and incurred to finance or refinance the Authority’s acquisition of the Project and related transaction costs (the “Project Debt”); plus (ii) any fees or other amounts not identified in clause (i) that may be necessary to effect the complete release from and discharge of any lien, mortgage or other encumbrance on the Project; plus (iii) any amounts due to the Authority (including the Authority Indemnified Persons, as provided in the Indenture), the Trustee or any predecessor or successor, or any other person under any indenture, loan agreement, bond, note or other instrument relating to any Project Debt (including, without limitation, indemnification amounts, the Authority’s Extraordinary Costs and Expenses (as defined in the Indenture), recurrent and extraordinary fees and expenses, and reimbursable costs and expenses of any kind or nature); plus (iv) any costs and expenses of any kind or nature associated with or incurred by the Authority and Trustee in connection with the consummation of the Conveyance, regardless of whether such costs and expenses are customarily borne by the seller or purchaser in any such transaction (including, but not limited to, taxes, recording fees, and other impositions, Authority’s and Trustee’s legal and other professional fees, fees for verification agents, bidding agents, escrow agents, custodians or trustees, assumption fees, prepayment fees, the cost of the appraisal, brokers’ fees and expenses, surveys, inspections, title commitments, title insurance premiums and other title-related fees, and all amounts required for indemnification of Authority, Trustee and Project Administrator); minus any funds held by or for the Authority under the Indenture applied to the retirement of Project Debt. Authority may retain such portion of moneys in the Extraordinary Expense Fund or similar fund under the Indenture it deems reasonable as a reserve against future expected costs and expenses of the type described in clause (iii). Authority’s determination of this amount shall be final and incontestable.

Upon any transaction or series of transactions by which Authority shall transfer, bargain, sell and convey any and all right, title or interest in and to the Property (a “Conveyance” of the

Property under the Public Benefit Agreement), the Authority shall apply the proceeds of such Conveyance (i) to redeem the Bonds then Outstanding, (ii) to prepay, redeem in whole or fully defease any other Project Debt, and (iii) to pay any fees or other amounts listed in clauses (ii) – (iv) in the previous paragraph.

The Authority shall comply with the Public Benefit Agreement and shall apply proceeds of any sale of the Project under and pursuant to the terms therewith while Bonds are Outstanding to the redemption of the Bonds under the Indenture.

RISK FACTORS

The purchase and ownership of Series 2020A Bonds involves investment risks that are discussed throughout this Limited Offering Memorandum. These risk factors should not be considered definitive or exhaustive. Prospective purchasers of the Series 2020A Bonds should evaluate all of the information presented in this Limited Offering Memorandum. This section on Risk Factors focuses primarily on the general risks associated with the operations of multifamily housing and those discussing the Authority specifically.

Limited Obligations of Authority

THE SERIES 2020A BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE AUTHORITY, ANY OF ITS MEMBERS, THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE SERIES 2020A BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE SERIES 2020A BONDS OR ANY OF THE AUTHORITY'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE AUTHORITY HAS NO TAXING POWER.

The Series 2020A Bonds constitute limited obligations of the Authority and have three potential sources of payment. The sources of payment are as follows:

- (1) *Payments received by the Trustee from the Authority pursuant to the terms of the Indenture.*

The Authority is obligated to make payments on the Series 2020A Bonds and to pay operating expenses of the Facilities only from the Trust Estate, which includes Revenues to be derived from the operation of the Facilities. Furthermore, the Authority's ability to meet its obligations under the Indenture, including, without limitation, the payment of the operating expenses related to the Facilities, will depend upon achieving and maintaining certain occupancy levels at the Facilities throughout the term of the Series 2020A Bonds. Even if the Facilities are

operating in an efficient manner, other factors could affect the Authority's ability to make payments under the Indenture and the Series 2020A Bonds. No assurance can be made that the Facilities will generate sufficient revenues to pay maturing principal of or Redemption Price of and interest on the Series 2020A Bonds and the payment of operating expenses of the Facilities.

The Authority has no obligation to pay the Series 2020A Bonds or to pay operating expenses of the Facilities except from the Trust Estate. The Series 2020A Bonds and the interest thereon constitute limited obligations of the Authority and are payable solely from the security and from other assets pledged under the Indenture and the Mortgage as security for the payment thereof. The Series 2020A Bonds do not constitute a general obligation of the Authority, the State of California, or any political subdivision or agency within the meaning of any constitutional or statutory limitation. Neither the full faith and credit nor the taxing power of the State of California or any of its political subdivisions or agencies is pledged to the payment of the Series 2020A Bonds or the interest thereon. The issuance of the Series 2020A Bonds is not directly or indirectly or contingently an obligation, moral or other, of the State of California or any political subdivision thereof to levy any form of taxation whatsoever therefor or to make any appropriation for their payment. The Authority has no taxing power.

(2) *Revenues received from operation of the Facilities by a receiver upon a default under the Indenture.*

It has been the experience of lenders in recent years that attempts to have a receiver appointed to take charge of properties with respect to which loans have been made are frequently met with defensive measures such as the initiation of protracted litigation and bankruptcy proceedings. Such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. See "RISK FACTORS – Enforceability of Remedies"; and " – Certain Matters Relating to Enforceability of Agreements" herein. Accordingly, prospects for uninterrupted payment of principal and interest on the Series 2020A Bonds in accordance with their terms are largely dependent upon revenues generated by the Facilities, from which the Authority will make the payments on the Series 2020A Bonds, and such revenues are wholly dependent upon the success of the Facilities.

(3) *Proceeds realized from the sale or lease of the Authority's interest in the Project to a third party by the Trustee at or following foreclosure by the Trustee of the Mortgage and proceeds realized from the liquidation of other security for the Series 2020A Bonds.*

Debtors frequently employ defensive measures, such as protracted litigation and bankruptcy proceedings, in response to lenders' efforts to foreclose on real property or otherwise to realize upon collateral to satisfy indebtedness that is in default. Such defensive measures can prevent, or greatly increase the expense and time involved in achieving, such foreclosure or other realization. In addition, the Trustee could experience difficulty in selling or leasing the real and personal property portion of the Project upon foreclosure, and the proceeds of such sale may not be sufficient to pay fully the owners of the Series 2020A Bonds. As described in paragraph (1) above, prospects for uninterrupted payment of principal and interest on the Series 2020A Bonds in accordance with their terms are largely dependent upon revenues generated by the Facilities, from which the Authority will make the payments described in paragraph (1) above, and such

revenues are wholly dependent upon the success of the Facilities. Even if the Facilities are operating in an efficient manner, other factors could affect the Authority's ability to make payments under the Indenture and the Series 2020A Bonds.

The Authority, Project Administrator and Property Manager; Potential Conflicts of Interest

The Authority is an organization that has assets other than the Facilities and may acquire other assets than the Project in the future. However, no current or future assets of the Authority are or will be pledged to the Trustee as security for the Project and no revenues from such assets of the Authority are pledged or available to pay debt service on the Series 2020A Bonds. The ability of the Authority to pay and perform its obligations under the Indenture will depend solely upon the ability of the Facilities to generate sufficient Gross Operating Revenues to pay debt service on the Series 2020A Bonds.

Under the terms of the Indenture, none of the affiliates of the Authority is liable for the debts or losses of the Authority, nor are they obligated to contribute any funds to or on behalf of the Authority, irrespective of whether Gross Operating Revenues are sufficient to pay debt service requirements with respect to the Series 2020A Bonds.

Other affiliates of the Authority have engaged in, and may continue to engage in, business for their own account, independently or with others, and whether or not in the vicinity of or in competition with the Facilities. As a result of their other interests and activities, the Authority and its common officers and directors may have conflicts of interest with their role in the Facilities including conflicts in allocating their time and resources between the Facilities and other activities in which they are involved.

The Project Administrator and its affiliates have engaged in, and may continue to engage in, business for their own account, independently or with others, and whether or not in the vicinity of or in competition with the Facilities. The Project Administrator and its affiliates have engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects, and may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Facilities. As a result of their other interests and activities, the Project Administrator and its common officers and directors may have conflicts of interest with their role in the Facilities including conflicts in allocating their time and resources between the Facilities and other activities in which they are involved. See "APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE PARTICIPANTS – The Project Administrator."

The Property Manager manages other market rate and affordable multifamily housing projects located around the Facilities, and it may in the future manage other multifamily residential rental projects. The Property Manager may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Facilities, and may have conflicts of interest in allocating management time, services and other functions essential to the success of the Facilities among other projects for which it is responsible. Disruption in management continuity may adversely

impact the operations of the Facilities. See “APPENDIX A – THE PARTICIPANTS AND THE FACILITIES – THE PARTICIPANTS – The Property Manager.”

The Project Administrator and Property Manager; Termination

The Project Administration Agreement dated as of December 1, 2020, between the Authority and the Project Administrator may be terminated without cause with 30 days’ written notice. The Property Management Agreement dated as of December 1, 2020, between the Authority and the Property Manager may be terminated without cause with 30 days’ written notice. No assurances can be made as to the experience and qualifications of any parties replacing the Project Administrator or Property Manager in these roles should termination occur.

Repayment Obligations of the Authority; Security for Repayment

The Authority’s obligation to make payments with respect to the Series 2020A Bonds is a Revenue pledge and the Owners of the Series 2020A Bonds are expected to have recourse only to the Project, funds held under the Indenture (except the Rebate Fund and the Extraordinary Expense Fund) and the Revenues to satisfy the obligations of the Authority with respect to the Series 2020A Bonds (other than with respect to the Recourse Obligations).

The security for the Series 2020A Bonds (subject to Permitted Encumbrances) will consist of (a) a lien on amounts on deposit with the Trustee from time to time in the funds and accounts created pursuant to the Indenture (other than the Rebate Fund and the Extraordinary Expense Fund), including funds in the following reserve funds: the Senior Debt Service Reserve Fund, the Capital Expense Fund, the Operating Reserve Fund and the Coverage Reserve Fund, (b) a lien on and security interest in the Project, (c) a lien on and a security interest in the Revenues, as provided in the Indenture and the Mortgage, and (d) a lien on the Authority’s right, title and interest in and to the Project Administration Agreement and the Property Management Agreement. Prospects for uninterrupted payment of principal and interest on the Series 2020A Bonds in accordance with their terms are generally dependent upon the success of the Authority in operating the Facilities to generate adequate cash flow to meet its obligations under the indenture.

Future Revenues and Expenses

As noted herein, and except to the extent payable from investment income or, under certain circumstances, proceeds of casualty insurance or condemnation awards, principal of and premium, if any, and interest on the Series 2020A Bonds is payable solely from Revenues, which include all rentals and fees payable with respect to the Facilities, and other property, as provided in the Indenture and the Mortgage. No representation or assurance is given or can be made that Revenues, as presently estimated or otherwise, will be realized by the Authority, the Trustee, or by any other person in amounts sufficient, together with such other moneys available under the Indenture and pledged to the Series 2020A Bonds, to pay debt service on the Series 2020A Bonds when due and to make other payments necessary to meet the obligations of the Authority. Future revenues and expenses of the Facilities are subject to future conditions, which may change.

The realization of Gross Operating Revenues from the Facilities by the Authority generally is subject to, among other factors, Federal and state policies affecting workforce housing and the housing market generally, the capability of management of the Facility, the nature and condition

of the housing stock in the neighborhood in which the Facilities are located, future economic conditions and other conditions which are impossible to predict. Such conditions may include an inability of the Facilities' management to control expenses during periods of inflation, changes in government involvement in and regulation of affordable housing, changes in local real estate taxes and zoning restrictions, and competition from other sources of assisted or market rate housing.

The payment of debt service on the Series 2020A Bonds is, among other things, dependent upon the Authority's ability to maintain occupancy of the Facilities and charge and collect rents that are sufficient to pay Operating Expenses of the Facilities, debt service requirements with respect to the Series 2020A Bonds, and to fund necessary reserves as required under the Indenture. Decrease in occupancy levels may result in a balloon payment of principal on the Series 2020A Bonds Maturity Date. Occupancy levels (which also affect Gross Operating Revenues) will depend upon the desirability of the Facilities as rental housing for eligible tenants, taking into account factors such as its location, physical condition and amenities. See "THE FACILITIES" herein for a description of the Facilities. Occupancy levels may also be affected by a variety of future events, including but not limited to failure of the Facilities to attract tenants because of competition from other market rate and workforce housing, changes in zoning restrictions, or development activities near the Facilities.

Additional Indebtedness

Additional Bonds of each Series may be issued. See "Permitted Encumbrances; Additional Bonds" herein. In the future the issuance or incurrence of such obligations could increase the Authority's debt service and repayment requirements in a manner that would adversely affect debt service on the Bonds.

Investment Risk

Proceeds of the Bonds deposited into the Bond Proceeds Fund and other funds held in trust by the Trustee are required to be invested in Investment Securities as set forth under the indenture. There can be no assurance that there will not be a loss resulting from any investment held in trust, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

Actual Results May Differ from the Appraisal and Financial Projections

The Appraisal and the Financial Projections and their forecast of future rents and demands included in Appendices C and I attached hereto, respectively, including future revenues and expenses with respect to the Facilities, are based upon assumptions concerning future events, circumstances, and transactions. The achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured. Realization of the results forecasted will depend on the implementation by the Authority of policies and procedures consistent with such assumptions. Future results will also be affected by events and circumstances beyond the control of the Authority. For the reasons described above, it is likely that the actual results of the Facilities will be different from the results forecast in the Appraisal and the Financial Projections and those differences may be material and adverse.

No representation or assurances can be made that Gross Operating Revenues will be realized by the Authority from the operation of the Facilities in amounts projected sufficient to pay maturing principal and interest on the Series 2020A Bonds. Future economic and other conditions, including demand for and services offered by the Facilities and the ability of the residents of the Facilities to meet their financial obligations, increased costs, litigation, competition, lower than anticipated revenues, higher than anticipated operating expenses, changes in governmental regulation, loss of federal tax-exempt status, loss of state or local property tax exemption, changes in demographic trends, changes in the housing industry and general economic conditions may adversely affect property value, revenues, and, consequently, payment of principal and interest. Factors such as increasing maintenance fees which could affect occupancy or tenancy, differences in interest rates from those expected, competition from other facilities, and modernization costs are all items to which the forecast financial statements are highly sensitive. The inability of the Authority and Project Administrator to meet Financial Projections may result in a balloon payment of principal on the Series 2020A Bonds Maturity Date. The Authority's ability to pay a balloon payment will depend on a number of factors, including, but not limited to general credit market conditions prevailing at the Maturity Date, the Authority's creditworthiness, the physical condition of the Facilities and the value of the Facilities. Many of such factors are beyond the Authority's control. No assurances can be given, therefore, as the Authority's ability to pay a balloon payment on the Maturity Date.

The ability of the Authority to pay debt service on the Series 2020A Bonds depends upon its ability to market the Facilities. The economic feasibility of the Facilities depends upon the ability of the Authority and Project Administrator to attract sufficient residents and to maintain substantial occupancy at projected rent levels for the Facilities throughout the term of the Series 2020A Bonds.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "anticipate," "projected," "budget," "believe," "would," "could" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS, INCLUDED IN SUCH RISKS AND UNCERTAINTIES ARE (A) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (B) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (C) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, USERS,

BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE.

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE ON THE DATE HEREOF, AND NONE OF THE CITY OR THE DISTRICTS ASSUMES ANY OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED IN APPENDIX C WITH RESPECT TO CONTINUING DISCLOSURE.

The Appraisal Assumptions and Conclusions May Not Be Correct

At the request and cost of the Project Administrator, the Appraisal contained in Appendix C was obtained in connection with the purchase price of the Project. See “THIRD PARTY REPORTS” herein for a description of the Appraisal and the Appraiser. The appraised value includes information and assumptions provided by the seller of the Facilities and has been based, in part, on estimates and assumptions developed in connection with the Appraisal, which ultimately may not materialize. Actual result will, therefore, vary from such estimates and the variations may be material. The appraised value is also subject to important assumptions and limiting conditions included in the Appraisal. The Appraisal must be read in its entirety, and there is no assurance the value of the Facilities will equal or exceed its appraised value as set forth in the Appraisal during the term or the Series 2020A Bonds. In general, appraisals represent the analysis and opinion of qualified appraisers and are not guarantees of present or future value. One appraiser may reach a different conclusion than the conclusion that would be reached if a different appraiser were appraising the same property. The “as is” market value in the Appraisal could be significantly higher than the amount that could be obtained from the sale of the Facilities under a distress or liquidation sale. It is possible that the Facilities will lose value over time, resulting in outstanding debt greater than the value of the Facilities.

Risks of Real Estate Investment

General. Ownership and operation of real estate, such as the Facilities, involves certain risks, including the risk of adverse changes in general economic and local conditions, including the possible future oversupply and lagging demand for housing; population decreases; uninsured losses; failure of residents to pay rent; operating deficits and mortgage foreclosure; lack of attractiveness of the property to residents; cyclical nature of the real estate market; adverse changes in neighborhood values; and adverse changes in zoning laws, Federal and local rent controls, other laws and regulations and real property tax rates (to the extent such taxes are applicable to the Facilities). Such losses also include the possibility of fire or other casualty or condemnation. If the

Facilities, or any parts of the Facilities, were uninhabitable during restoration after damage or destruction, the residence units or common areas affected would not be available during the period of restoration, which could adversely affect the ability of the Facilities to generate sufficient Gross Operating Revenues to pay debt service on the Series 2020A Bonds. Changes in general or local economic conditions and changes in interest rates and the availability of mortgage funding may render the sale or refinancing of the Project difficult or unattractive.

Risks of Competition, the Rental Market and Occupancy and Rental Rates. The Facilities compete with other residential apartments in its market area, some of which offer lower rental rates. It is difficult to assess the current and future demand for units of the Facilities or future rental rates. Therefore, there can be no assurance that the Facilities will achieve and maintain the occupancy levels or the rental rates necessary to cover debt service requirements. See “THE APPRAISAL” in Appendix C hereto.

Damage, Destruction or Condemnation. Although the Authority will be required to obtain and maintain certain insurance against damage or destruction as set forth in the Indenture and the Mortgage, there can be no assurance that the Facilities will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which the Facilities cannot generate Gross Operating Revenues, will not exceed the coverage of such insurance policies.

If the Facilities or any portion of the Facilities are damaged or destroyed, or are taken in a condemnation proceeding, the extraordinary revenues derived from proceeds of insurance or any such condemnation award for the Facilities must be applied as provided in the Bond Documents to restore or rebuild the Facilities or to redeem the Series 2020A Bonds. There can be no assurance that the amount of extraordinary revenues available to restore or rebuild the Facilities or to redeem the Series 2020A Bonds will be sufficient for that purpose, or that any remaining portion of the Facilities will generate Gross Operating Revenues sufficient to pay the expenses of the Facilities and the debt service on the Series 2020A Bonds remaining outstanding.

Environmental Risks. There are potential risks relating to liabilities for environmental hazards with respect to the ownership of any real property. If hazardous substances are found to be located on property, owners of such property may be held liable for costs and other liabilities related to the removal or remediation of such substances, which costs and liabilities could exceed the value of a project. In the Site Assessment, the Environmental Consultant did not observe any recognized environmental conditions, controlled recognized environmental conditions, historical recognized environmental conditions or environmental issues during the course of its assessment. The Environmental Consultant concluded that no further action or investigation of the subject property is recommended as of the date of the Site Assessment; however, there can be no assurance that remedial action will not be required in the future or that an enforcement action or actions will not be instituted under such statutes at a later date. In the event such enforcement actions were initiated, the Authority could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Project. In addition, under certain environmental statutes, in the event an enforcement action was initiated, a lien could attach to the Project, which would adversely affect the Authority’s ability to generate revenues from the operation of the Facilities sufficient to meet the debt service requirements on the Series 2020A Bonds and its obligations under the Indenture.

Seismic Risks. Generally, throughout the State, some level of seismic activity occurs on a regular basis. Periodically, the magnitude of a single seismic event can cause significant ground shaking and potential for damage to property located at or near the center of such seismic activity. Although the Seismic Consultant did not observe any circumstances of seismic concern and no mandatory seismic retrofit programs were noted in the Seismic Report, a major earthquake in the vicinity of the Facilities could have an impact on the structural integrity of the buildings.

Natural Disaster Risk. The ability of the Facilities to generate Gross Operating Revenues also is at risk from other force majeure events, such as extreme weather events and other natural occurrences, including fires. No assurance can be given that such events will not occur while the Series 2020A Bonds are outstanding. Although the Authority has attempted to mitigate the risk of loss from many of these occurrences by purchasing commercial property and casualty insurance and Business Interruption Insurance, no assurance can be given that such insurance will always be available in sufficient amounts, at a reasonable cost or available at all, or that insurers will pay claims in a timely manner or at all.

Property Tax Exemption

The Project is eligible for an exemption from Real Estate Taxes pursuant to Sections 3(b) and 11 of Article XIII of the California Constitution by virtue of being owned by the Authority. Upon acquisition of the Facilities, in order to obtain the exemption, the Authority must file a change in ownership report with Los Angeles County in connection with recording the deed with the applicable county recorder and the property tax exemption will apply automatically by virtue of California law. The Company's Financial Projections assumes that this exemption from Real Estate Taxes will be obtained. While the exemption applies automatically under California law, there can be no assurances that a change in law will not occur with respect to the applicability of Real Estate Tax exemption for properties owned by local governments. The Project remains subject to certain "direct assessments" which amounts are reflected as "Assessments" in "APPENDIX I – FINANCIAL PROJECTIONS AND UNDERLYING ASSUMPTIONS FOR THE FACILITIES." See "APPENDIX B – FORM OF PROPERTY TAX EXEMPTION OPINION."

Facilities Risks

General Risks of Multifamily Housing. There are many diverse factors, not within the Authority's control, which have a substantial bearing on the risks generally incident to the operation of the Facilities. These factors include generally imposed fiscal policies, adverse use of adjacent or neighboring real estate, the ability to maintain the facilities, community acceptance of the Facilities, changes in demand for such facilities, changes in the number of competing facilities, changes in the costs of operation of the Facilities, changes in the laws of the State affecting multifamily facilities, difficulties or restriction in the Authority's ability to raise rates charged, general economic conditions, and the availability of working capital. In recent years, a significant number of multifamily housing projects throughout the United States have defaulted on various financing obligations or otherwise have failed to perform as originally expected. There can be no assurance that the Facilities will not experience one or more of the adverse factors that caused other facilities to fail. Many other factors may adversely affect the operation of facilities like the Facilities and cannot be determined at this time.

Adequacy of the Project as Security. The security for the Series 2020A Bonds includes a lien on the Project, evidenced by the Mortgage, which has been granted in favor of the Trustee and a pledge of the Revenues and funds under the Indenture. If the Authority fails to make sufficient and timely payments required under the Indenture, it may be necessary for the Trustee to exercise its remedies under the Mortgage, including foreclosure.

There can be no assurance that if and when the Trustee forecloses and obtains possession of the Project or realize amounts from the sale thereof, that resulting proceeds or Gross Operating Revenues (if the Facilities are retained and operated by the Trustee), would be sufficient to pay debt service on the Series 2020A Bonds in full when due and Operating Expenses of the Facilities. The Trustee is not in the business of operating facilities such as the Facilities and any amounts which might be realized from operation of the Facilities are uncertain. Attempts to foreclose under the Mortgage or to obtain other remedies under such documents, the Indenture or any other documents relating to the Series 2020A Bonds may be met with protracted litigation and/or bankruptcy proceedings, which could cause delays, and a court may decide not to order specific performance of covenants contained in such documents. Thus, there can be no assurance that upon the occurrence of an event of default on the Series 2020A Bonds the Trustee will be able to obtain possession of the Project or generate proceeds of sale or revenues from the Facilities, or obtain other relief, in a timely fashion.

Other Government Regulation. The Facilities are and will continue to be subject to rules and regulations promulgated by various agencies and bodies of Federal, state and local governments which have jurisdiction over such matters as health care, employment, environment, safety, traffic and health. The impact of such rules and regulations on the Facilities is unknown and cannot be predicted. Future orders, pursuant to existing or subsequently enacted rules or regulations, may require the expenditure by the Authority of substantial sums to effect compliance therewith.

Leasing Restrictions. The Facilities are subject to long-term use agreements and restrictive covenants agreements setting forth certain leasing restrictions based on area median income. The ability of the Authority to meet its covenants under the Bond Documents depends on continuously meeting the leasing restrictions. Leasing restrictions contained herein are likely to result in less revenue generated by the Project than if there were no leasing restrictions. See “THE FACILITIES AND PROJECT PARTICIPANTS – Leasing Restrictions” herein and “APPENDIX F – FORM OF INDENTURE.”

Risks Associated with Management. The successful operation of the Facilities will depend, to a large extent, upon the management services provided by the Property Manager, and upon the ability of the Property Manager to keep the Facilities substantially occupied and well maintained in accordance with all regulatory requirements (including but not limited to those set forth in the Regulatory Agreement), and operating expenses and capital expenses at or below levels projected by the Authority and the Project Administrator through the term of the Series 2020A Bonds. There is no assurance that the Property Manager will operate the Facilities on a profitable basis. There can be no assurance that the Facilities will be operated in a manner which provides sufficient moneys to pay principal and interest on the Series 2020A Bonds and to operate and maintain the Facilities. In addition, the Property Manager may have conflicts of interest in allocating management time, services and functions between the Facilities and other properties in which the

Property Manager has management or ownership interests. The failure of the Property Manager to adequately perform its obligations under the management agreement with the Project Administrator could have a material adverse effect upon the success of the Facilities.

The Property Manager has the necessary staff in place to operate the Facilities. The Property Manager's management believes they will be able to retain or hire all required staff, but the nature of the Facilities and the presence of competitive facilities may make it difficult over time to attract additional skilled personnel with comparable experience and capabilities which could adversely affect their ability to maintain operation of activities and services at current levels, including, without limitation, the successful operation, maintenance and profitability of the Facilities.

Early Redemption and Loss of Premium

Purchasers of Series 2020A Bonds, including those who purchase Series 2020A Bonds at a price in excess of their principal amount or who hold Series 2020A Bonds trading at a price in excess of their principal amount, should consider the fact that the Bonds are subject to redemption at a redemption price equal to their principal amount plus accrued interest, without premium, in the event such Series 2020A Bonds are redeemed prior to maturity under certain circumstances. This could occur, for example, if the Authority exercises its right to cause the extraordinary redemption of Series 2020A Bonds as a result of a casualty or condemnation award payment affecting the Project or if the Authority causes the optional redemption of Series 2020A Bonds. See "THE SERIES 2020A BONDS—Optional Redemption."

Loss of Tax Exemption

The Authority has covenanted and agreed to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of interest payable on the Series 2020A Bonds. The Indenture contains provisions and procedures designed to assure compliance with such covenant. However, the modification or repeal of certain existing federal income tax laws, or the change of Internal Revenue Service policies or positions, could result in interest on the Series 2020A Bonds becoming subject to federal income taxation retroactive to the date of issue of the Series 2020A Bonds. See "TAX MATTERS" herein and "APPENDIX F — FORM OF INDENTURE."

Status of Interest on the Series 2020A Bonds

On the date of issuance of the Series 2020A Bonds, Bond Counsel will render its opinion substantially in the form of Appendix G hereto. However, the interest on the Series 2020A Bonds could be includable in gross income for purposes of Federal income taxation retroactive to the date of issuance of the Series 2020A Bonds for a variety of reasons. The exclusion from gross income is dependent upon, among other things, compliance with certain restrictions regarding investment of Series 2020A Bonds proceeds, and continuing compliance by the Authority with tax covenants contained in the Indenture, under which the enforcement remedies available to the Trustee are severely limited. (See "TAX MATTERS" herein.) Although the Series 2020A Bonds will be subject to Mandatory Redemption as described above, there is no provision for payment of additional interest if interest on the Series 2020A Bonds became includable in gross income for

Federal income tax purposes, and the Authority shall not be liable for any such payment whatsoever.

If interest on the Series 2020A Bonds should become included in gross income for Federal income tax purposes, the market for and value of the Series 2020A Bonds could be adversely affected.

Moreover, there can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be prospectively or retroactively adversely amended or modified, thereby resulting in the inclusion in gross income of the interest on the Series 2020A Bonds for Federal income tax purposes or otherwise eliminating or reducing the benefits of the present advantageous tax treatment of the Series 2020A Bonds. While no such legislation has been formally proposed or adopted, there can be no assurance that Congress would not adopt legislation applicable to the Series 2020A Bonds or to the Authority and that the Project would be able to comply with any such future legislation in a manner necessary to maintain the Federal tax treatment of the Series 2020A Bonds. The Authority is required under the Indenture to use its best efforts to comply with any other future Federal income tax law requirements in order to maintain the tax-exempt status of the Series 2020A Bonds to the extent that any such other requirements are made applicable to the Project. There is no assurance, however, that the Authority would be able to comply with any such other requirements.

Bankruptcy Risks

In addition to the limitations on remedies contained in the Indenture, the rights and remedies provided in the Indenture may be limited by and are subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance, and other similar laws relating to or affecting creditors' rights, to the application of equitable principles, if equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California. The Authority has covenanted in the Indenture that it will not file for bankruptcy, subject to applicable state law, but under current federal bankruptcy law, that covenant is unenforceable. The opinion to be delivered by Bond Counsel concurrently with the issuance of the Series 2020A Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Series 2020A Bonds will be similarly qualified. See "APPENDIX G – FORM OF BOND COUNSEL OPINION."

Under federal bankruptcy law, a municipality cannot be the subject of an involuntary filing under the United States Bankruptcy Code, but may make a voluntary filing under Chapter 9 of the Bankruptcy Code. Bankruptcy proceedings, if initiated by the Authority, could subject the Bondholders to judicial discretion and adverse interpretation of their rights, and may entail risks of delay, limitation, or modification of rights, including impairment of rights to repayment in full as and when due. Among other things, the filing of a petition under Chapter 9 may, subject to the provisions of the Bankruptcy Code and, in some instances, depending on whether the Revenues are "special revenues" within the meaning of Section 902(2) of the Bankruptcy Code, result in (a) the application of the automatic stay of Section 362(a) of the Bankruptcy Code which, until relief is granted, may prevent application of the Revenues to payments coming due under the Series 2020A Bonds or the commencement of any judicial or other action for the purpose of recovering

or collecting a claim with respect to such Bonds; (b) the incurrence of unsecured or court-approved secured debt which may have a priority of payment superior to that of Bondholders; (c) a cut-off of the lien on Revenues securing the Series 2020A Bonds as of the filing of the petition under Section 552(a) of the Bankruptcy Code, and (d) the possibility of the adoption of a plan for the adjustment of the Authority's debt without the consent of all of the Bondholders, which plan may restructure, delay, compromise or reduce the amount of the claim of the Bondholders if the Bankruptcy Court finds that such a plan of adjustment is fair and equitable. However, a petition filed under Chapter 9 does not operate as a stay of application of pledged special revenues to the payment of indebtedness secured by such revenues.

If Revenues Are Considered Special Revenues. Special revenues, among other things, include receipts derived from the ownership or operation of a project and the proceeds of a borrowing to finance such project. The Federal Bankruptcy Code provides that special revenues acquired by the debtor after the commencement of a Chapter 9 case, unlike certain other revenues, remain subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case under Section 928(a) of the Bankruptcy Code. However, the lien on special revenues derived from a project is subject to the payment of the necessary operating expenses of that project under Section 928(b) of the Bankruptcy Code. Moreover, application of special revenues to bonds secured thereby is excluded from the operation of the automatic stay under Section 922(d) of the Bankruptcy Code. It has been generally thought that these provisions, in conjunction with other provisions of the Bankruptcy Code, operated to require a Chapter 9 debtor to continue to apply special revenues to payment of any obligation secured thereby, subject only to the payment of necessary operating payments. Recently, however, the United States Court of Appeals for the First Circuit, in a case arising in connection with the insolvency proceedings of Puerto Rico, has held that a Chapter 9 debtor may continue to make payments on obligations secured by special revenues, but is not required to do so, and thus is not limited to using special revenues for that purpose (after deduction of operating expenses). The First Circuit's opinion is not binding in other Courts of Appeal in other circuits, or on the lower courts in those circuits, but it may be considered persuasive authority. It is not possible to predict how other courts will treat these issues.

Accordingly, if the Revenues are considered "special revenues" under the Bankruptcy Code, (a) at least certain applications of Revenues to payments coming due under the Series 2020A Bonds may be excepted from the automatic stay, although the scope of this exception may be limited to voluntary payments by the Authority; (b) the lien on the Revenues securing the Series 2020A Bonds would not be cut off although the Authority would be entitled to use such Revenues for the necessary operating expenses of the Facilities, and possibly for other unrelated expenses, during the pendency of the Chapter 9 proceeding, notwithstanding any contrary language in the Indenture.

If Revenues Are Not Considered Special Revenues. If the Revenues are not considered special revenues under the Federal Bankruptcy Code, (a) the automatic stay would apply without any exception afforded under the Bankruptcy Code, (b) any Revenues generated by the Facilities after the filing of the Chapter 9 petition would no longer be subject to the lien of the Indenture, and such Revenues could be used by the Authority during the Chapter 9 proceeding for any lawful purpose, (c) any deficiency between the amount of the Revenues generated by the Facilities prior to the filing of the Chapter 9 petition and the amounts due with respect to the Series 2020A Bonds

would be treated as an unsecured claim, and (d) Bondholders would be unlikely to receive any payment of debt service prior to confirmation of a plan of adjustment, and, assuming the existence of such a deficiency, Bondholders would likely not have a claim for interest accruing on the Series 2020A Bonds during the Chapter 9 proceeding.

Plan of Adjustment. The debtor may file a plan for the adjustment of its debts, which may include provisions modifying or altering the rights of creditors generally, or any class of creditors, secured or unsecured. The plan, when confirmed by the court, binds all creditors which have had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are that the plan is in the best interests of creditors, is feasible, and has been accepted by each class of claims impaired thereunder in accordance with the voting majorities specified in the Bankruptcy Code. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly. Thus, under the above described “cram-down” provisions of the Federal Bankruptcy Code, a plan of adjustment could be imposed on the Bondholders that would give them less than their anticipated rate of interest on the Series 2020A Bonds or possibly even less than a full return of their principal, and/or extend the time for payment of principal of or interest on the Series 2020A Bonds.

Other Bankruptcy Risks. There may be other possible effects of a bankruptcy of the Authority that could result in early redemption of the Series 2020A Bonds or delays or reductions in payments on the Series 2020A Bonds, or result in other losses to the Bondholders. Regardless of any specific adverse determinations in a bankruptcy of the Authority, the fact of a bankruptcy of the Authority could have an adverse effect on the liquidity and value of the Series 2020A Bonds.

The Authority’s governing documents significantly limit the scope of its operations. See “THE AUTHORITY.” However, the Project is not the Authority’s sole activity, and it may in the future engage in other activities or ventures related to workforce housing within the limits of its governing documents. Failure of one or more of these other ventures, or liabilities arising from other activities or ventures, could cause the Authority to file for bankruptcy or to otherwise experience financial distress even if the Project is financially sound.

Enforceability of Remedies

The Series 2020A Bonds are payable from the payments to be made under the Indenture. Pursuant to the Indenture, the Series 2020A Bonds are secured by the Mortgage on the Project and the security interest in the personal property and Revenues (and funds held under the Indenture). The practical realization of the value from the Project upon any default will depend upon the exercise of various remedies specified by the Mortgage and the Indenture. These and other remedies may require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the Federal Bankruptcy Code), the remedies specified by the Mortgage, or the Indenture may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Mortgage or the Indenture. The various opinions to be delivered concurrently with the delivery of the Series 2020A Bonds will be qualified as to the enforceability of the various legal instruments by, among others,

limitations imposed by state and Federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws affecting the enforcement of creditors' rights generally.

In addition, the various security interests and obligations established under the Indenture and the Mortgage will be subject to Permitted Encumbrances, and may be limited by or subject to other claims and interests. Examples of such claims and interests are:

- (1) statutory liens and assessments for improvements;
- (2) rights arising in favor of the United States of America or any agency thereof;
- (3) constructive trusts, equitable liens or other rights impressed or conferred by any state or Federal court in the exercise of its equitable jurisdiction;
- (4) Federal bankruptcy laws affecting amounts earned by the Authority after institution of bankruptcy proceedings by or against the Authority;
- (5) the requirement that appropriate continuation statements be filed in accordance with the Uniform Commercial Code as from time to time in effect; and
- (6) fraudulent conveyance or transfer laws which may apply to transfers or conveyances of property between affiliated entities.

With respect to amounts received in the case of an event of default by the Authority under the Indenture or the Mortgage followed by the exercise by the Trustee of its rights to foreclose under the Mortgage, it has been the experience of lenders in recent years that attempts to foreclose on commercial property are frequently met with defensive measures such as protracted litigation and/or bankruptcy proceedings, and that such defensive measures can greatly increase the expense involved in achieving such realization. In addition, the same factors that would lead to foreclosure could also be expected to substantially reduce the value of the Project, thus reducing the possibility that the proceeds from leasing or selling the Project would be sufficient to pay the Series 2020A Bonds in full.

Additionally, California law imposes certain other procedural requirements which must be fully complied with if the Trustee is to enforce its security interest in the Project. Under the terms of the Indenture and the Mortgage, the Authority has no personal liability for its obligations under the Indenture or Mortgage, other than certain recourse liabilities relating to certain acts. See "THE FACILITIES AND PROJECT PARTICIPANTS" herein.

Certain Matters Relating to Enforceability of Agreements

The obligations of the Authority under the Indenture will be limited to the same extent as the obligations of debtors typically are affected by bankruptcy, insolvency and the application of general principles of creditors' rights and as additionally described below.

The obligations described herein of the Authority to make payments under the Indenture may not be enforceable to the extent (1) enforceability may be limited by applicable bankruptcy, moratorium, reorganization, fraudulent conveyance or transfer laws or similar laws affecting the

enforcement of creditors' rights and by general equitable principles and (2) such payments (i) are requested to be made for a purpose which is not consistent with the purposes of the Authority or which are for the benefit of any entity other than a tax-exempt organization; (ii) are requested to be made from any moneys or assets which are donor restricted or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment; or (iii) are requested to be made pursuant to any loan violating applicable usury laws.

Legal Opinions

The various legal opinions to be delivered concurrently with the delivery of the Series 2020A Bonds will express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

In addition, such opinions will be qualified as to the enforceability of the various legal instruments by, among others, limitations imposed by state and Federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws affecting the enforcement of creditors' rights generally.

No Ratings

No rating for the Series 2020A Bonds has been applied for. The Series 2020A Bonds are subject to a significant degree of risk and are suitable for investment consideration only for those persons who are sophisticated and experienced in investments of this type.

Lack of Market for Resale of the Series 2020A Bonds

The Underwriter is not obligated to engage in secondary trading or to purchase any of the Series 2020A Bonds at the request of the owners thereof. No assurance can be given that a secondary market for the Series 2020A Bonds will be available and no assurance can be given that the initial offering prices for the Series 2020A Bonds will continue for any period of time. Purchasing a Series 2020A Bonds should be considered a long-term and high-risk investment.

Additional Risks

The occurrence of any of additional events, or other unanticipated events, including the following, could adversely affect the financial position or results of operations of the Authority and the Facilities:

- (1) Reinstatement of or establishment of mandatory governmental wage, rent or price controls.
- (2) Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, without being able to obtain corresponding increases in Gross Operating Revenues.

(3) Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in Gross Operating Revenues.

(4) Adoption of other Federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Authority and the Facilities.

(5) The occurrence of any natural disasters or other disruptions that impact the operations of the Facilities.

Other Factors

An investment in the Series 2020A Bonds involves a substantial element of risk. In order to identify “RISK FACTORS” and make an informed investment decision, potential investors should be thoroughly familiar with this entire Limited Offering Memorandum, including the Appendices attached hereto, in order to make a judgment as to whether the Series 2020A Bonds are an appropriate investment. Purchasers of the Series 2020A Bonds, particularly purchasers that are corporations (including Subchapter S corporations and foreign corporations that operate branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions or certain recipients of Social Security benefits, are advised to consult their own tax advisors as to the tax consequences of purchasing or holding the Series 2020A Bonds.

Potential Impact of Pandemics

The COVID-19 pandemic has resulted in a widespread health crisis that has adversely affected businesses, economies and financial markets worldwide. The full impact of COVID-19 is unknown and continues to be rapidly evolving. Stay-at-home orders, social distancing guidelines, and travel restrictions have adversely affected the economies and financial markets of many countries, resulting in an economic downturn that has negatively impacted, and may continue to negatively impact, the local economy and the market for rental housing, as well as a widespread increase in unemployment that is expected to further reduce demand for housing. The Authority’s financial condition and results of operations have been, and will continue to be, adversely affected by the COVID-19 pandemic. The Authority’s ability to operate its properties and maintain a safe environment for its tenants may be limited by continued effects of COVID-19 and continued and additional measures required to limit the spread of the disease such as extended stay-at-home orders, self-quarantines and social distancing guidelines, and continued travel restrictions. These conditions may lead to reduced rental income and further reduced demand for housing, which may adversely affect the Authority’s business, financial condition, liquidity and results of operations.

In addition, the COVID-19 pandemic, and measures taken by governments, organizations, the Authority, the Project Administrator, and the Property Manager to reduce its effects could potentially impact the Authority’s operations. Such disruptions may continue or increase in the future, and could adversely affect, the Authority’s business, financial condition, liquidity and results of operations.

Federal, state and local legislation and ordinances have been passed to address the economic effects of COVID-19, providing for a temporary moratorium on eviction of residential

tenants and certain commercial tenants due to nonpayment of rents. Such eviction moratoriums preclude the Authority from evicting non-paying tenants of the Project and replace them with paying tenants. No assurances can be given that subsequent federal, state or local legislation enacted in response to the COVID-19 pandemic will not adversely affect the Authority's ability to collect rent and evict tenants for nonpayment of rent or otherwise operate the Project as planned.

The full extent to which the COVID-19 pandemic will impact the Authority's results is unknown and evolving, and will depend on future developments, which are highly uncertain and cannot be predicted. These include the severity, duration and spread of COVID-19, the success of actions taken by governments and health organizations to combat the disease and treat its effect, including additional remedial legislation, and the extent to which, and the timing of, general economic and operating conditions recover. Accordingly, any resulting financial impact cannot be reasonably estimated at this time but such amounts may be material.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Series 2020A Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Limited Offering Memorandum and the Appendices attached hereto.

The Authority is obligated to apply all Gross Operating Revenues to make payments due under the documents described in the Indenture. There can be no assurance that future Gross Operating Revenues will be sufficient to pay all obligations of the Authority with respect to the Series 2020A Bonds (the "Facilities Obligations"). The Authority currently estimates that the Gross Operating Revenues will be sufficient to pay the Facilities Obligations. However, the ability to produce the Gross Operating Revenues to pay the Facilities Obligations may be materially and adversely affected to the extent that the Authority is unable to increase Gross Operating Revenues by increasing rents, if expenses incurred in operating the Facilities are higher than anticipated, or if occupancy of the Facilities decreases.

NO LITIGATION

The Authority

At the time of the issuance and delivery of the Series 2020A Bonds, the Authority will deliver a certificate to the effect that there is not pending or, to the knowledge of the Authority, threatened any litigation (i) restraining or enjoining the issuance or delivery of the Series 2020A Bonds or questioning or affecting the validity of the Series 2020A Bonds or the proceedings or authority under which they are to be issued, (ii) that in any manner questions the right of the Authority to enter into the Indenture or to secure the Series 2020A Bonds in the manner provided in the Indenture and the Act; and (ii) with respect to the Project, or the acquisition or operation thereof, or the issuance of the Series 2020A Bonds or which would materially adversely affect the transactions contemplated by this Limited Offering Memorandum.

APPROVAL OF LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, sale and delivery of the Series 2020A Bonds by the Authority are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, as Bond Counsel to the Authority (“Bond Counsel”). Copies of the Opinion of Bond Counsel will be available at the time of delivery of the Series 2020A Bonds in substantially the form set forth in Appendix G hereto.

Certain legal matters will be passed upon for the Authority by its counsel, Orrick, Herrington & Sutcliffe LLP, for the Project Administrator by its counsel, Rutan & Tucker LLP and for the Underwriter by its counsel, Tiber Hudson LLC.

The Opinion of Bond Counsel will express no opinion and make no comment with respect to the sufficiency of the security for, or the marketability of, the Series 2020A Bonds. A copy of the proposed form of legal opinion to be delivered by Bond Counsel is set forth in Appendix G. Bond Counsel has not verified, is not passing upon, and does not assume responsibility for the accuracy, completeness or fairness of any statements contained in this Limited Offering Memorandum.

TAX MATTERS

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series 2020A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of Opinion of Bond Counsel is set forth in Appendix G hereto.

To the extent the issue price of any maturity of the Series 2020A Bonds is less than the amount to be paid at maturity of such Series 2020A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2020A Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2020A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2020A Bonds is the first price at which a substantial amount of such maturity of the Series 2020A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2020A Bonds accrues daily over the term to maturity of such Series 2020A Bonds on the basis of a constant interest rate compounded semiannually (with straight line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2020A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2020A Bonds. Beneficial Owners of the Series 2020A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2020A Bonds with original issue discount, including the

treatment of Beneficial Owners who do not purchase such Series 2020A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2020A Bonds is sold to the public.

Series 2020A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2020A Bonds. The Authority and the Project Administrator have made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2020A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2020A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2020A Bonds. The Opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Series 2020A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2020A Bonds. Accordingly, the Opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2020A Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2020A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Series 2020A Bonds. Prospective purchasers of the Series 2020A Bonds should consult their own tax advisors regarding the potential impact of any pending or

proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The Opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2020A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the Project Administrator, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2020A Bonds ends with the issuance of the Series 2020A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Beneficial Owners regarding the tax-exempt status of the Series 2020A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2020A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2020A Bonds, and may cause the Authority or the Beneficial Owners to incur significant expense.

RATINGS

No rating was applied for or received with respect to the Series 2020A Bonds.

UNDERWRITING

Pursuant to the Bond Purchase Agreement (the "Bond Purchase Agreement") between the Authority and Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), the Underwriter has agreed to purchase the Series 2020A Bonds at a purchase price equal to the principal amount thereof plus a premium of \$10,093,726.25. The Bond Purchase Agreement provides that the Underwriter will receive, for its services, compensation from the Authority in the amount of \$1,166,530.89 (including certain fees and expenses). The Underwriter's fee shall not include the fee of Underwriter's counsel. The obligation of the Underwriter to pay for the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Authority has agreed to indemnify the Underwriter as to certain matters in connection with the Bonds.

The Bond Purchase Agreement provides that the Underwriter shall purchase all of the Series 2020A Bonds if any are purchased, and that such obligation to purchase the Series 2020A Bonds is subject to certain terms and conditions set forth in such Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as

applied to the facts and circumstances of this transaction. The Underwriter has not, however, independently verified the factual and financial information contained in this Limited Offering Memorandum and, accordingly, express no view as to the sufficiency and accuracy thereof.

CONTINUING DISCLOSURE

In accordance with the requirements of the Rule, the Authority will covenant for the benefit of the holders and Beneficial Owners of the Series 2020A Bonds pursuant to a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) to be executed and delivered by the Authority, to provide or cause to be provided each year certain financial information and operating data relating to the Authority and the Facilities, a quarterly report and notice of certain enumerated events. The specific nature of the information to be contained in the Continuing Disclosure Agreement is set forth in “APPENDIX H – FORM OF CONTINUING DISCLOSURE AGREEMENT.”

The Authority has not previously entered into any continuing disclosure obligations or undertakings.

THIRD PARTY REPORTS

At the request of the Project Administrator, an appraisal was prepared by Newmark Knight Frank Valuation & Advisory, LLC (the “Appraiser”) dated as of November 20, 2020 with a valuation date of October 28, 2020 (the “Appraisal”) and is included as Appendix C. Notwithstanding the provisions in the Assumptions and Limiting Conditions section of the Appraisal and Schedule A of Addendum B to the Appraisal, the Appraiser has consented to the use of the Appraisal in this Limited Offering Memorandum. The Appraisal includes two distinct determination of value. The Appraisal’s “Prospective Market Value “As Is” is \$66,000,000. The Appraisal’s “Hypothetical Value,” assuming the Facilities are restricted to middle-income households and achieve the related property tax exemption, is \$80,300,000.

In general, appraisals (such as the Appraisal) represent the analysis and opinion of qualified appraisers and are not guarantees of present or future value. One appraiser may reach a different conclusion than the conclusion that would be reached if a different appraiser were appraising the same property. Moreover, appraisals seek to establish the amount a typically motivated buyer would pay a typically motivated seller and, in certain cases, may have taken into consideration the purchase price paid by the owner. Such amount could be significantly higher than the amount obtained from the sale of the Project under a distress or liquidation sale.

Further, an appraisal is only an estimate of value, and speaks only as of the date stated therein as well as the conditions, limitations and assumptions, stated in such report. Changes since that date in external and market factors or in Facilities itself can significantly affect the conclusions. As an opinion, the Appraisal is not a measure of realizable value and may not reflect the amount that would be received if the Facilities were sold. Reference should be made to the entire Appraisal because relying solely on excerpts or portions of a report does not necessarily convey all of the limitations, conditions, assumptions or qualifications of the report that influenced the opinion of value.

At the request of the Project Administrator, a property condition report (the “Property Condition Report”) dated November 5, 2020 was prepared by Partner Engineering and Science, Inc. (“Partner”) and has been included as Appendix D to this Limited Offering Memorandum with the consent of Partner.

Additional reports, including Phase I environmental, fire life safety, and seismic reports may be made available by request to the Project Administrator and consent of Partner.

Potential investors in the Series 2020A Bonds should review in detail the entirety of the Appraisal, the Property Condition Report, and other third-party reports before evaluating the conclusions reached therein. See “RISK FACTORS” herein.

FINANCIAL INFORMATION

The unaudited financial statements obtained from the seller related to the Facilities are attached hereto as Exhibit A of Appendix A. No financial information of the Authority is provided because the Authority is a newly formed entity and no financial information is available at this time.

CERTAIN RELATIONSHIPS

The Project Administrator has an ownership interest of the purchaser of the Series 2020B Bonds. An affiliate of the Project Administrator will be paid an upfront fee at the time of Closing. See “SOURCES AND USES OF FUNDS” herein.

MISCELLANEOUS

Any statements made in this Limited Offering Memorandum involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The references herein to the Act, the Indenture, the Mortgage, the Regulatory Agreement and other documents are brief outlines of certain provisions thereof. Such outlines do not purport to be complete or comprehensive and for a full and complete statement of the provisions thereof, reference is made to the Act and such documents.

The agreement of the Authority with the Owners of the Series 2020A Bonds is fully set forth in the Indenture, and this Limited Offering Memorandum is not to be construed as constituting any agreement with the purchasers of the Series 2020A Bonds.

The attached Appendices are integral parts of this Limited Offering Memorandum and must be read together with all of the foregoing statements.

The Authority has reviewed the information contained herein, which relates to them and the Project and has approved all such information for use within this Limited Offering Memorandum.

The Authority is not authorized to make any representations and makes no representations on behalf of the Project Administrator or the Property Manager or with respect to the accuracy or completeness of the information relating to the Project Administrator or the Property Manager in this Limited Offering Memorandum.

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The execution, delivery and distribution of this Limited Offering Memorandum have been duly authorized by the Authority.

CSCDA COMMUNITY IMPROVEMENT
AUTHORITY

By: /s/ Jon Penkower
Authorized Signatory

APPENDIX A

THE PARTICIPANTS AND THE FACILITIES

TABLE OF CONTENTS

	Page
THE PARTICIPANTS	1
The Authority	1
The Project Administrator	2
THE FACILITIES	4
General	9
Future Restrictions	10
Location	12
Market Area	13
Population Information and Employment	14
Occupancy and Rents in Los Angeles County	15
General Housing Supply/Demand	16
Comparable Properties	16
Real Estate Taxes	18
Appraisal of the Facilities	18
Phase I Environmental Site Assessment	18
Seismic Report	19
Property Condition Report	19
FINANCIAL INFORMATION	20
Historic Occupancy and Rents	20
Operating Expenses; Operating Plan and Budget	20
Historical Financials	21
Financial Projections	21
Insurance	21
Litigation	25
EXHIBIT A – Compilation Report	

THE PARTICIPANTS AND THE FACILITIES

The following information concerning the transaction participants has been provided by representatives of the transaction participants and has not been independently confirmed or verified by either the Underwriter or the Authority. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

THE PARTICIPANTS

The Authority

The Authority is a joint exercise of powers authority and public entity organized and existing under the laws of the State of California and pursuant to a Joint Exercise of Powers Agreement (the “Joint Exercise Agreement”), dated as of October 15, 2020, among Yolo County and the City of Woodland, as charter members, to which certain other cities and counties, including the City of Carson, have or will in the future join as additional members. The Authority is administered by a Board of Directors consisting of the Commissioners of the California Statewide Communities Development Authority. The Authority is authorized and empowered under the Act and by the Joint Exercise Agreement to issue bonds to undertake the financing and/or refinancing of any purpose or activity permitted under the Act or any other law, including projects that provide affordable local housing for low-income, moderate-income and middle-income families and individuals. The League of California Cities, the California State Association of Counties, and Bridge Strategic Partners LLC (“BSP”), a registered municipal advisor, provide certain administrative services to the Authority. BSP has been appointed as the Authority’s Designated Agent under the Indenture.

The Authority intends in the future to issue obligations other than the Series 2020 Bonds to finance the acquisition of other multifamily rental housing facilities, and has the power to and may issue bonds for a broad range of other purposes. Any obligations of the Authority other than the Series 2020 Bonds (and any Additional Bonds issued under the Indenture) will be issued under and secured by instruments separate and apart from the Indenture and the Series 2020 Bonds. The security pledged to obligations other than Series 2020 Bonds and any other assets of the Authority except the Trust Estate pledged to the Series 2020 Bonds are not available to satisfy claims of holders of the Series 2020 Bonds, and the Trust Estate is not available to satisfy claims of the holders of any obligations other than the Series 2020 Bonds. Property and funds held by or mortgaged to the Authority for a particular issue of bonds are not available to satisfy claims of holders of other issues of the Authority’s bonds.

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Board of Directors of the Authority:

Name	Occupation
Kevin O'Rourke <i>Chair</i>	City Manager (Retired) City of Fairfield
Tim Snellings <i>Vice Chair</i>	Development Services Director (Retired) County of Butte
Jordan Kaufman <i>Treasurer</i>	Treasurer & Tax Collector County of Kern
Brian Moura <i>Secretary</i>	Assistant City Manager (Retired) City of San Carlos
Brian Stiger <i>Member</i>	Chief Legislative Representative County of Los Angeles
Dan Mierzwa <i>Member</i>	Treasurer & Tax Collector County of Yuba
Marcia Raines <i>Member</i>	City Manager (Retired) City of Millbrae
Niroop Srivatsa <i>Alternate Member</i>	City Manager City of Lafayette

The Project Administrator

Standard Renaissance Administrator LLC, a Delaware limited liability company (the "Project Administrator"), is an affiliate of privately held multifamily housing investor and affordable housing developer Standard Property Company, Inc., and will be responsible for monitoring, supervising and otherwise performing certain services pertaining to the operation of the Facilities pursuant to a Project Administration Agreement dated as of December 1, 2020 (the "Project Administration Agreement") between the Issuer and the Project Administrator. The Project Administrator's Principals (the "Principals"), through affiliates, have been actively engaged in institutional multifamily investment, acquisition, development financing and asset management since 2008.

Standard Property Company, Inc. was founded in 2008 and has 12 years of experience in affordable and mixed-income housing acquisition, preservation and asset management. Standard Property Company, Inc. has preserved over 8,300 affordable and mixed-income housing units across the country, with a combination of tax-exempt bond, tax credit, and conventional debt and equity financing.

Standard Property Company, Inc. Executive Team:

Jeffrey E. Jaeger, Co-Founder and Principal. Jeffrey E. Jaeger is a Co-Founder and Principal of Standard Property Company, Inc. Mr. Jaeger is also the Co-Founder and former Chief Operating Officer of Jackson Square Properties, a value-add investment company which managed a portfolio of over 10,000 apartments and 1,000 mobile-home units at the time of his departure. Prior to joining Jackson Square Properties, Mr. Jaeger worked in the capital transactions department at Lend Lease Real Estate Investments. Mr. Jaeger is a current Board Member and Co-Founder of Housing on Merit, a California-based non-profit focused on providing housing for homeless, female veterans. Mr. Jaeger is also a current Board Member of Inner City Arts, one of the nation's most effective arts-education providers located in the heart of Skid Row, Los Angeles. He earned a Bachelor of Arts degree from the University of California, Berkeley.

Scott J. Alter, Co-Founder and Principal. Scott J. Alter is a Co-Founder and Principal of Standard Property Company, Inc. Prior to co-founding Standard Property Company, Inc, Mr. Alter was an investment professional at Stockbridge Real Estate Funds, a real estate opportunity fund. Previously, he worked as a Financial Analyst in Merrill Lynch & Co.'s real estate, hospitality and leisure investment banking division. Mr. Alter is a current Board Member and Co-Founder of Housing on Merit, a California-based non-profit focused on providing housing for homeless, female veterans. He recently served as a Board Member of The Giving Circles Fund, a movement of next-generation philanthropists who utilize the power of collective action to create lasting change. Mr. Alter earned a Bachelor of Science degree in Industrial and Labor Relations from Cornell University.

The Property Manager

AMC-CA, Inc., dba Apartment Management Consultants, a Utah corporation (the "Property Manager"), will be responsible for managing the Facilities pursuant to a Property Management Agreement dated as of December 1, 2020, between the Issuer and the Property Manager. The Property Manager has been actively engaged in multifamily property management since 2000 and currently serves markets in 20 states across the country. The Property Manager has a portfolio of approximately 99,300 units as of 2020, ranging from conventional, mixed use, affordable, and renovation/value add products. The Property Manager will be involved in preparing annual operating budgets, marketing and leasing the Facilities; collecting rent, including from dwelling units and other rental facilities; managing the payment of operating expenses for the Facilities; maintaining and repairing the Facilities; and managing on-site employees.

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THE FACILITIES

The following description of the Facilities includes, where indicated, certain maps, photographs and tabular information extracted from the Appraisal prepared by Newmark Knight Frank attached as Appendix C to this Limited Offering Memorandum with the consent of Newmark Knight Frank, provided that prospective purchasers of the Series 2020A Bonds may not rely upon the findings contained in the Appraisal.



Renaissance at City Center: Carson, California



Renaissance at City Center: Kitchen



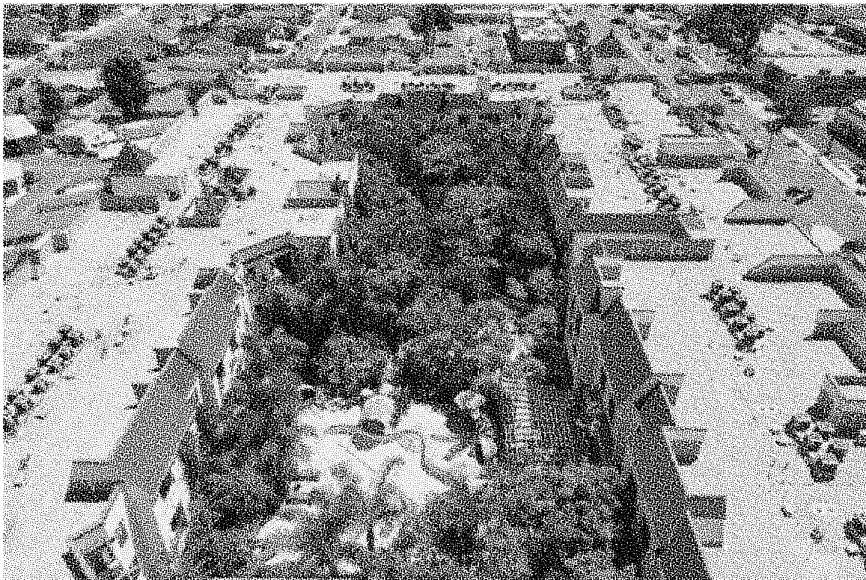
Renaissance at City Center: Bathroom



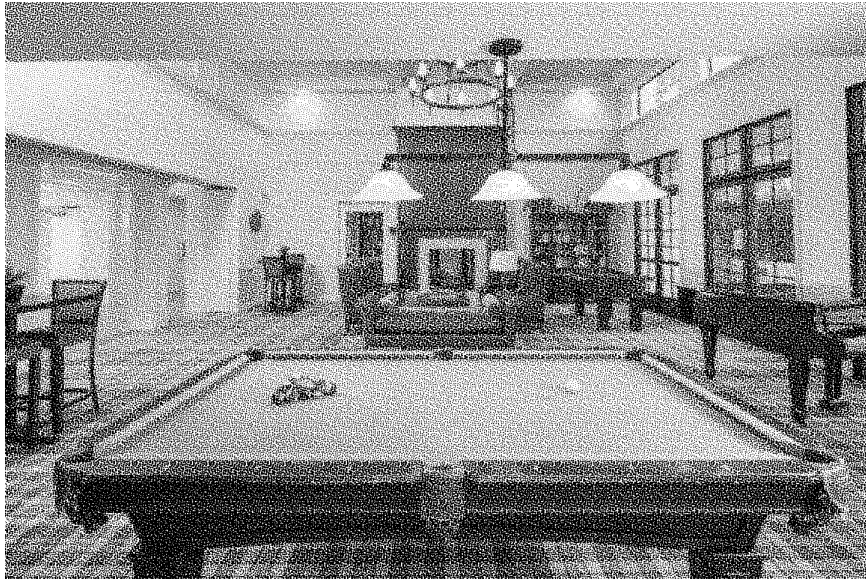
Renaissance at City Center: Living Room



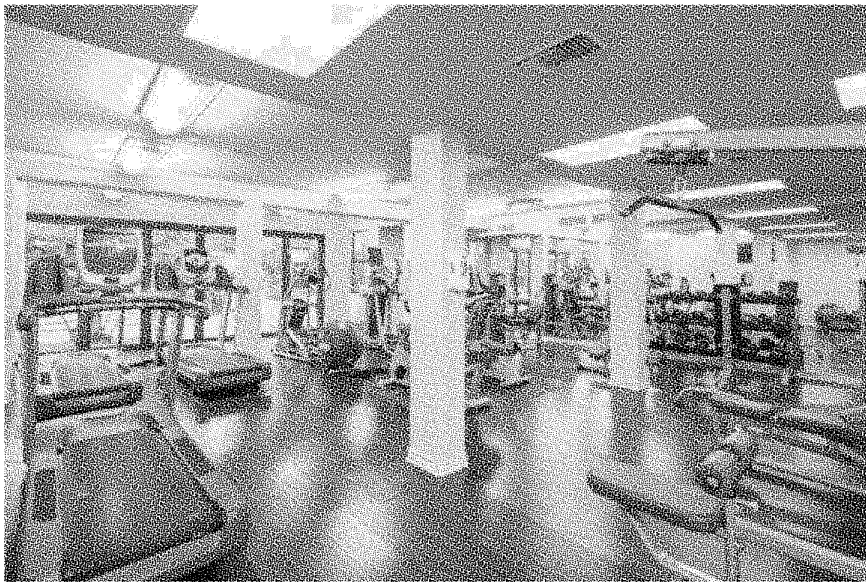
Renaissance at City Center: Bedroom



Renaissance at City Center: Aerial View of Outside Recreation Area



Renaissance at City Center: Recreation Center



Renaissance at City Center: Fitness Center



Renaissance at City Center: Outdoor Grilling Area



Renaissance at City Center: Pool

General

Following a formal competitive sale process, the bid of \$66,000,000 submitted by an affiliate of the Project Administrator, Standard Property Company, Inc. (the “Affiliate”), for the Project was selected by the current owner, and the Affiliate subsequently entered into the Purchase Agreement with the current owner of the Project, and pursuant to that agreement, assigned its purchase right to an affiliate, Standard Faring Workforce LLC, the owner of the Series 2020B Bonds (“Standard”). Pursuant to the Purchase Agreement, Standard entered into an assignment and assumption agreement for purchase and sale of the Project with the Authority, subject to certain conditions precedent. The Authority is acquiring a fee simple interest in the Project pursuant to the Purchase Agreement as assigned under the Assignment and Assumption Agreement between the Authority and the Standard. An affiliate of the Project Administrator currently holds financial and ownership interest in multifamily projects within the City of Carson that are comparable to the Facilities.

The Facilities consist of a 150-unit multifamily residential rental community, together with related ground-level commercial space, parking facilities and related improvements, located at 21800 South Avalon Boulevard, in the City of Carson, Los Angeles County, California, which was originally constructed in 2013. The Facilities are currently owned by Avalon Carson, LLC, a Delaware limited liability company (the “Seller”), and are currently managed by ConAm Management Corporation, which, according to its website, currently manages a portfolio of approximately 53,000 residential units.

The Facilities consist of a four-story building, with approximately 12,000 square feet of ground level retail space and 472 parking spaces in ground-level and subterranean garages. The Facilities are subject to certain reciprocal and non-reciprocal easements respecting the adjacent retail and residential properties on its northern side for access, utilities, drainage, the sharing of certain parking spaces located on the ground level garages within each property, and other items as set forth under the Easements, Joint Use, and Maintenance Agreement dated March 30, 2012, and as subsequently amended. The facilities are also subject to certain covenants, conditions and restrictions respecting the adjacent properties to the north and its owners, which provide among other items for review and approval of any new exterior architectural modifications to the Facilities by the adjacent owners until such time as the adjacent properties are sold to an unaffiliated owner, as set forth in the Master Declaration of Covenants, Conditions and Restrictions, and Joint Use Agreement dated March 30, 2012, and amended December 14, 2016. The Facilities include a pool, spa, fireside lounge, fitness center, movie screening theater, billiards lounge, business center, conference room, outdoor recreation areas and other amenities.

The unit mix and approximate square footage for the units of the Facilities will be as follows:

Unit Type	Average Square Feet	Number of Units
1 BR / 1 BA	683	43
2 BR / 2 BA	979	95
3 BR / 2 BA	1,323	<u>12</u>
TOTAL		150

Prior to the acquisition of the Facilities by the Authority, the units are being rented as market-rate apartments. While the Facilities are currently operated as a market-rate rental community, in connection with the purchase thereof, the Authority will restrict the Facilities to households earning less than 80% of area median income (“AMI”), 81-100% of AMI and 101-120% of AMI, as further described herein and as defined in the Regulatory Agreement. **Upon the issuance of the Series 2020A Bonds and acquisition of the Facilities, tenants currently residing in the units will not be displaced regardless of their income categorization, and certain restrictions will be phased in as existing leases terminate. Upon the issuance of the Bonds, tenants whose gross income exceeds the moderate income limit will not be subject to a rent restriction, and will pay market-rate rent in the event they elect to remain within the Project upon the termination of their annual lease.**

Future Restrictions

Current Occupancy. As of November 10, 2020, the Facilities are approximately 99% occupied, and consist of all market rate units with no income restrictions, together with one non-revenue model unit. Certain of the units are currently held in the name of corporate entities. None of the leases will extend for more than one year from the Closing Date, and in accordance with the Regulatory Agreement, all new and renewed leases will be required to be executed in the name of the persons occupying the units.

Rent Restrictions. Upon the issuance of the Series 2020 Bonds and the acquisition of the Facilities by the Authority, the Authority will verify, or cause the Project Administrator to verify, all tenant incomes annually and will use its best efforts to lease vacant units to Low Income Tenants, Median Income Tenants or Moderate Income Tenants (each as defined below) as needed to meet the income set-aside requirements set forth in the Regulatory Agreement and as described below:

(i) no less than one-third (1/3) of the completed residential units in the Facilities shall be occupied by tenants whose income does not exceed 80% of median family income for Los Angeles County, California, as defined by HUD (the “Area”), with adjustments for assumed household size (“Low Income Tenant”);

(ii) no less than one-third (1/3) of the completed residential units in the Facilities shall be occupied by tenants whose income does not exceed 100% of median family income for the Area, with adjustments for assumed household size (“Median Income Tenant”); and

(iii) the balance of the residential completed units in the Facilities shall be occupied by tenants whose income does not exceed 120% of median family income for the Area, with adjustments for assumed household size (“Moderate Income Tenant”);

provided that, any unit remaining vacant for at least 15 consecutive days may be offered and leased to Low Income Tenants, Median Income Tenants or Moderate Income Tenants without regard for the requirements set forth in (i) through (iii) above.

Maximum allowable rents for each income category will not exceed 35% of the respective income limit for the Area, adjusted for assumed household size, as set forth in the Regulatory Agreement.

The occupancy restrictions in the Regulatory Agreement shall be in effect from the date of issuance of the Series 2020A Bonds until the payment in full of the Series 2020A and Series 2020B Bonds.

2020 Maximum Income Limits ¹			
Household Occupancy	Low Income 80% AMI	Median Income 100% AMI	Moderate Income 120% AMI
2	\$72,080	\$90,100	\$108,120
3	\$81,120	\$101,400	\$121,680
4.5	\$93,720	\$117,150	\$140,580

2020 Maximum Restricted Rents ²			
Unit Type	Low Income 80% AMI	Median Income 100% AMI	Moderate Income 120% AMI
1 BR	\$2,102	\$2,628	\$3,154
2 BR	\$2,366	\$2,958	\$3,549
3 BR	\$2,734	\$3,417	\$4,100

Market Rents ³	
Unit Type	Market Rent
1 BR	\$2,400
2 BR	\$3,050
3 BR	\$3,500

The restrictions contained in the Regulatory Agreement will not be applicable following certain events, including any transfer of the Facilities pursuant to or in lieu of a foreclosure under the Mortgage, or other similar disposition of the Facilities.

Existing Tenants. Notwithstanding the targeted income restrictions described above, on the Closing Date, tenants currently residing in units will not be displaced regardless of income category. All tenants who elect to renew their leases will be evaluated with respect to household income and occupancy qualifications.

With respect to existing tenants whose income and household occupancy qualify them as a Low Income Tenant, Median Income Tenant or Moderate Income Tenant at the time their current lease comes up for renewal, such tenants will be provided an opportunity to either (i) vacate the unit or (ii) remain in their current unit at the lesser of (x) the current market rate rent and (y) the maximum allowable rent under the income restriction category in which such tenant qualifies. If such tenant's current rent is above the maximum allowable rent for the income restriction category for which such tenant qualifies, such tenant will experience a decrease in rent to the maximum

¹ Income Limits are based on information published by HUD for the Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area.

² Maximum allowable rents assume 35% of the respective income limit.

³ Market rents from Page 101 of the Appraisal – See “Appendix C – The Appraisal.”

allowable rent for that income restriction category for the next leasing year. If the tenant's current rent is below the market rate rent or the maximum allowable rent for the income restriction category for which such tenant qualifies, such tenant would experience an increase in rent to the lesser of the market rate rent or the maximum allowable rent for that income restriction category for the next leasing year. For any subsequent lease renewals for tenants that qualify for an income restriction category after the initial lease renewal in which such tenant qualifies for an income restriction category, rent increases will be subject to a 4% cap on rent increases annually.

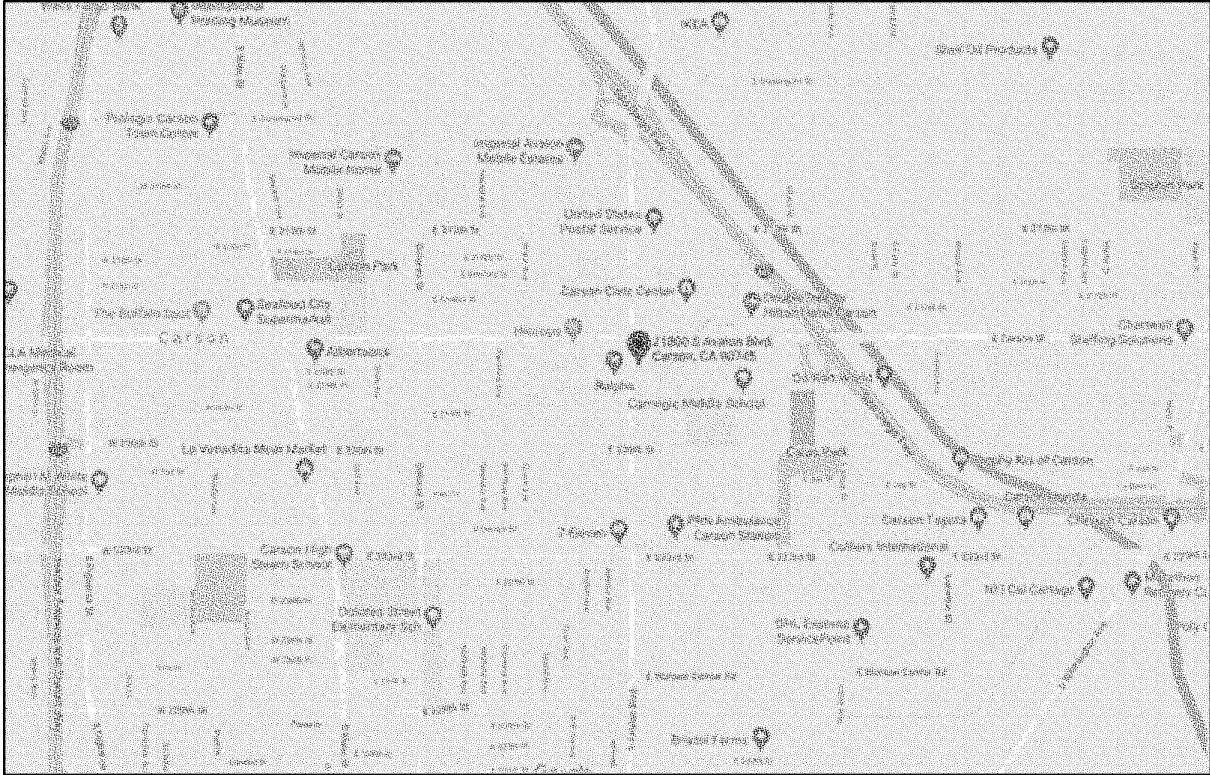
For existing tenants whose income and household occupancy disqualify them as a Low Income Tenant, Median Income Tenant or Moderate Income Tenant, those tenants will be provided an opportunity to choose to either (i) vacate the unit or (ii) remain in their current unit at the then current market rate rent. If such tenant chooses to remain in the current unit and the rent increases, such increase will not be capped under the Regulatory Agreement.

Any unoccupied units on the Closing Date will be rented to Low Income Tenants, Median Income Tenants and/or Moderate Income Tenants. The Authority will use its best efforts, working with the Project Administrator, to ensure that as vacated units become available, such units are filled with Low Income Tenants, Median Income Tenants and Moderate Income Tenants, as applicable, to meet the requirements of the Regulatory Agreement.

There can be no assurance that the Authority can meet the targeted income restriction categories due to the availability of qualified tenants for each income restriction category.

Location

The Facilities are located in the central area of Carson, California, in southwestern Los Angeles County. See “ – Market Area” below.



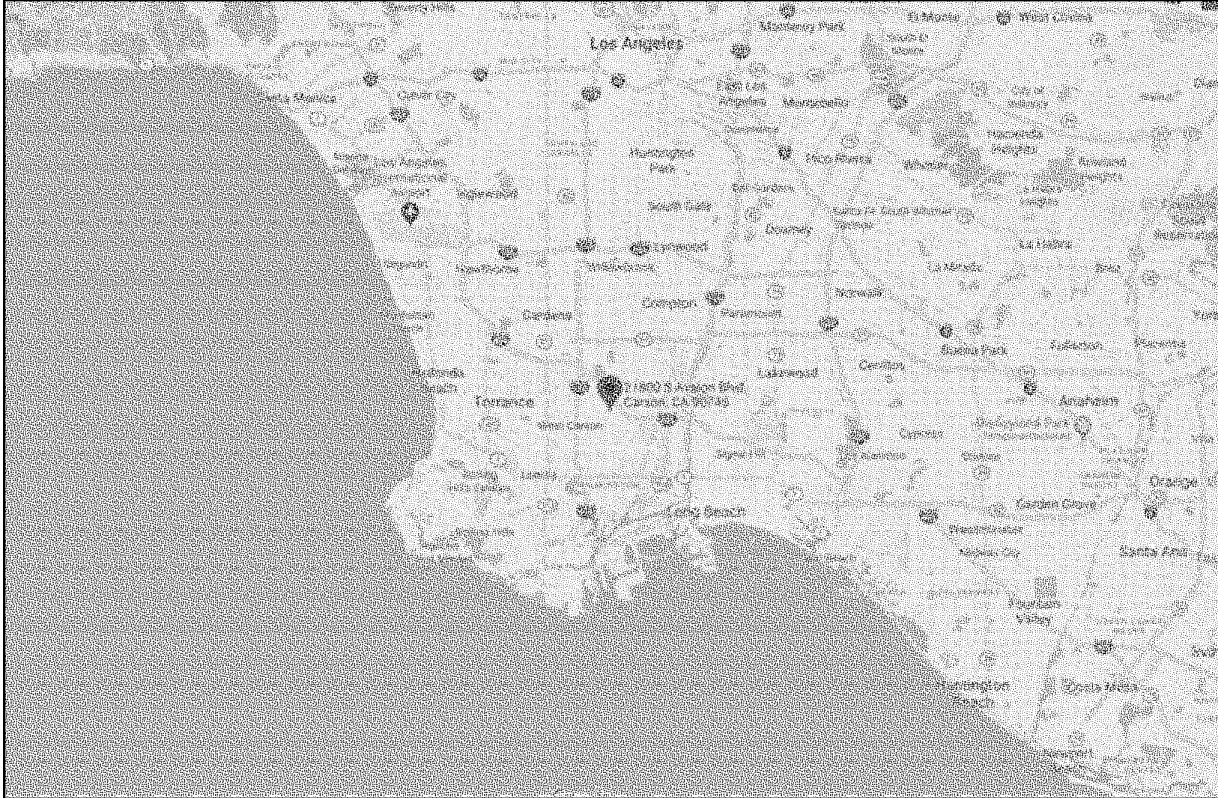
Market Area

The Appraisal indicates that the property is located in the greater Los Angeles Area (variously identified as the Los Angeles-Long Beach-Glendale Metropolitan Statistical Area and the Los Angeles-Long Beach-Anaheim Metropolitan Statistical Area (both the “Los Angeles MSA”)) and identifies the property as being within the South Bay submarket, the Carson/San Pedro/East Torrance and Lomita Submarket, and the City of Carson for demographic, rental, employment and income analyses.†

[Remainder of page intentionally left blank.]

† The Facilities are described in the Appraisal as being in one or another submarket based on the definition provided within the various third-party proprietary data sources used for the subject analysis. See “APPENDIX C — The Appraisal” hereto for additional information.

MSA Map



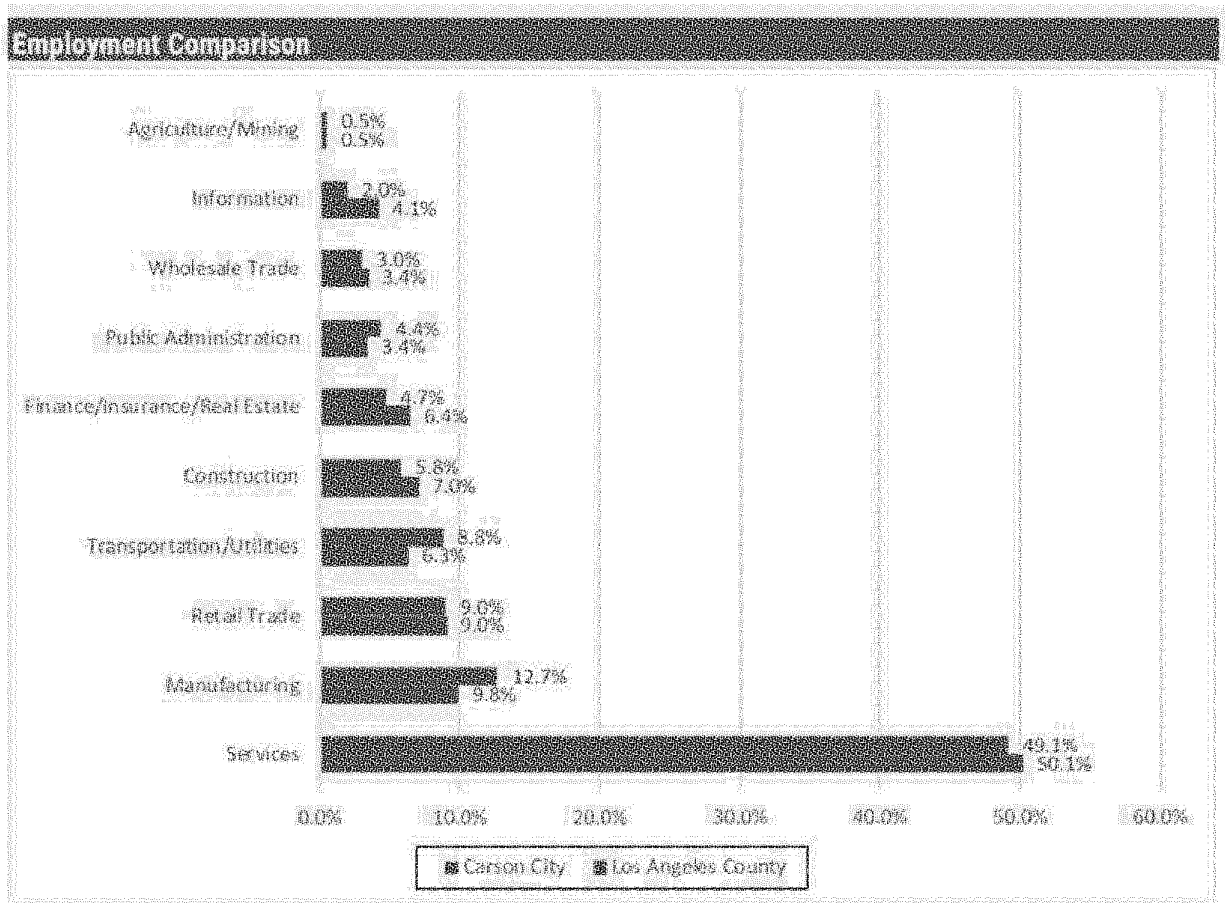
The Facilities are located approximately 14 miles south of Downtown Los Angeles in the central section of the City of Carson. Carson is connected by Interstates 405 and 110 to economic and employment centers in Downtown Los Angeles, Long Beach, Wilmington, San Pedro, the West Side of Los Angeles, and Orange County. Several major thoroughfares provide access throughout Carson to neighboring cities. The Los Angeles County Metropolitan Transportation Authority (“Metro”) provides bus service within Carson and cities across Los Angeles County. The Facilities are located approximately 4.5 miles west of the Metro A Line Station at Wardlow, which provides access between Downtown Los Angeles and Downtown Long Beach. Long Beach International Airport is approximately 9 miles east of the Facilities, and the Los Angeles International Airport (“LAX”) is located approximately 14 miles to the northwest of the Facilities.

Population Information and Employment

The Appraiser reported the general population information, the number of households, median household income, and other indicators for the Los Angeles MSA, based upon information furnished to it by Moody’s Analytics’ Economy.com, which is a proprietary data source. The total population of the MSA was 10.047 million in 2020, with projected population growth to 10.208 million in 2025.

As of 2020, the median household income in the MSA was \$72,400, which was projected to grow to \$83,400 by 2025. See “APPENDIX C – THE APPRAISAL – Area Analysis” for more detailed demographic information.

Employment within the City of Carson totaled 40,548 for 2020. Comparing the industry sectors for the local market area (Carson City) to Los Angeles County indicates the local market area is somewhat more heavily weighted toward the Manufacturing, Transportation/Utilities, Public Administration, and Agriculture/Mining sectors. By contrast, the industry employment totals for Los Angeles County indicate somewhat higher proportions within the Information, Finance/Insurance/Real Estate, Construction, Services, Wholesale Trade, and Retail Trade sectors. The below chart shows the 2020 employment by industry for the City of Carson and Los Angeles County. See “APPENDIX C – THE APPRAISAL – Employment Sectors and Trends.”



Occupancy and Rents in Los Angeles County

The Los Angeles County submarket physical occupancy rate was 94.4% as of the third quarter of 2020, and was 95.4% for the South Bay submarket, based on figures provided by CoStar, a proprietary data source. The rate in the City of Carson was 89.9%, which the Appraiser indicates was because several large-scale developments entered the market and were in the lease-up phase. The South Bay submarket annual asking rent growth was 1.1% as of the third quarter of 2020. See “APPENDIX C – THE APPRAISAL – Multifamily Market Analysis.”

General Housing Supply/Demand

In the Los Angeles MSA market, multifamily housing supply has increased around major centers of economic activity and development, but the South Bay submarket and the City of Carson have not seen the same of increases as the MSA market as a whole. The Appraisal indicates that over the prior calendar year, 51 units were built in the South Bay submarket, while 93 units were absorbed, which equates to a 0.5 ratio of construction to absorption. Over the same time period, 11,162 units were built in the Los Angeles market, while 5,501 were absorbed, which reflects a construction to absorption ratio of 2.0. Over the previous five years, the construction to absorption ratio in the South Bay submarket has been 1.0, while in Los Angeles it has been 1.3.

Construction Versus Absorption

Market / Submarket	Construction / Absorption Change								
	Prior Calendar Year History			Prior Calendar Year History			Prior Calendar Year History		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
Los Angeles	11,162	5,501	2.0	30,363	22,702	1.3	50,674	38,998	1.3
South Bay	51	93	0.5	776	764	1.0	1,549	1,434	1.0
Carson	51	38	1.3	129	28	4.6	397	320	1.2

Source: CoStar, compiled by NCF Valuation & Advisory

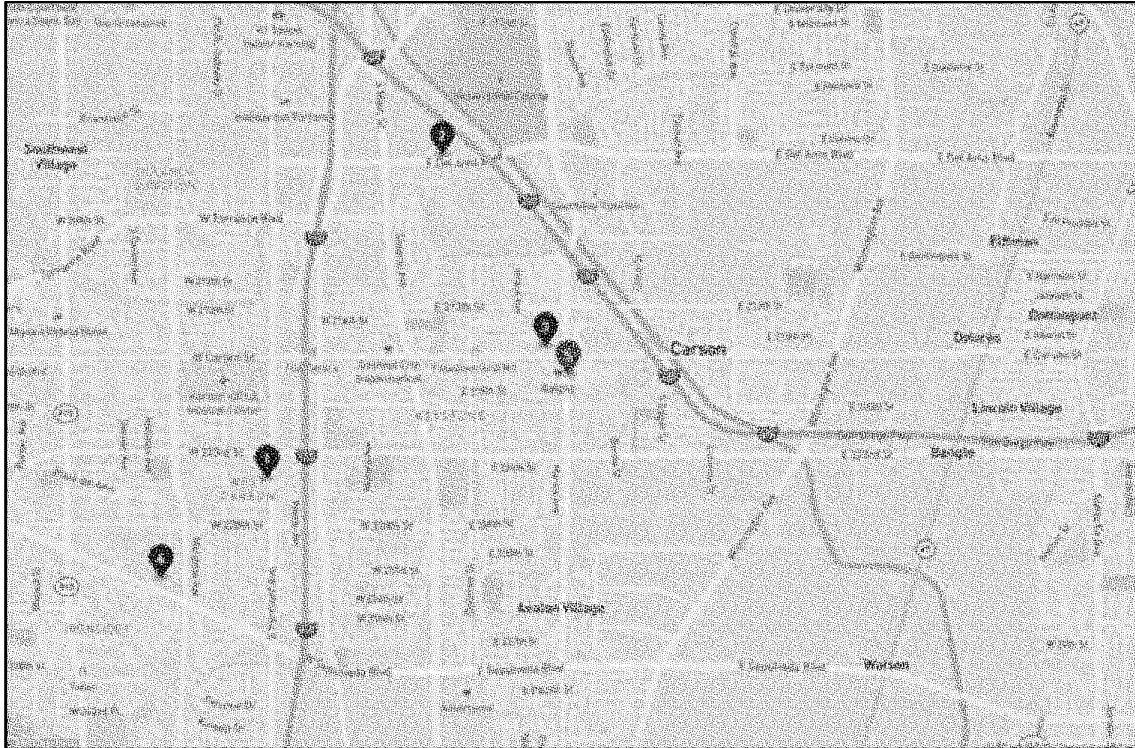
See “APPENDIX C – APPRAISAL – Supply and Demand” for more information on market demand, including key assumptions and findings.

Comparable Properties

The Appraiser surveyed a total of 1,266 units across 4 rental properties and compared properties on the basis of physical characteristics, including: building type, building age/quality, the level of common amenities, occupancy rates, parking, and other factors. All of the comparable properties are fully market rate properties located between 0.2 and 3.5 miles of the Facilities, and all are located within the Submarket area). See “APPENDIX C – THE APPRAISAL.”

A map illustrating the comparable properties is included below, and summaries of the comparable properties, including location information, a physical property summary, lease availability detail and residential unit mix, can be found in “APPENDIX C – THE APPRAISAL.”

[Remainder of page intentionally left blank.]



Comparable Mid/High Rise Rentals Summary							
No.	Property Name	No. Units Avg. Unit SF	Year Built Occupancy	Unit Type	Size (SF)	Rent	\$/SF
1	Alta South Bay Apartments	257	2015	1 BR/1 BA	725	\$2,252	\$3.11
		886	95%	2 BR/2 BA	1,069	\$2,807	\$2.63
				3 BR/2 BA	1,370	\$3,362	\$2.45
2	Evolve South Bay Apartments	300	2021	1 BR/1 BA	843	\$2,557	\$3.03
		967	7%	1 BR/1 BA	1,135	\$3,130	\$2.76
				2 BR/2 BA	1,061	\$2,930	\$2.76
				2 BR/2 BA	1,224	\$3,830	\$3.13
				3 BR/2 BA	1,248	\$3,545	\$2.84
		3 BR/3 BA	1,239	\$3,880	\$3.13		
3	Union South Bay Apartments	357	2020	0 BR/1 BA	539	\$2,040	\$3.78
		918	13%	1 BR/1 BA	745	\$2,505	\$3.36
				2 BR/2 BA	1,181	\$3,228	\$2.73
4	Seacrest Homes Apartments	352	2018	2 BR/2 BA	1,038	\$2,725	\$2.63
		1,067	85%	3 BR/2 BA	1,423	\$3,550	\$2.49

Note: At the time of the Appraisal Evolve South Bay Apartments was under construction and Union South Bay Apartments had recently completed construction. Both properties are in an initial lease-up phase. See “APPENDIX C – THE APPRAISAL – Analysis of Comparable Properties” for additional information.

Real Estate Taxes

The Project is eligible for an exemption from certain taxes including ad valorem real estate taxes and voter approved taxes (collectively, the “Real Estate Taxes”) pursuant to Sections 3(b) and 11 of Article XIII of the California Constitution by virtue of being owned by the Authority. Upon acquisition of the Facilities, in order to obtain the exemption, the Authority must file a change in ownership report with Los Angeles County in connection with recording the deed with the applicable county recorder and the property tax exemption will apply automatically by virtue of California law. The Authority’s financial projections included as Appendix I to this Limited Offering Memorandum assumes that the exemption of the Real Estate Taxes will be granted. On the Closing Date, Meyers Nave Riback Silver & Wilson, PLC will deliver the opinion that the Facilities are exempt from Real Estate Taxes pursuant to Sections 3(b) and 11 of Article XIII of the California Constitution by virtue of being owned by the Authority as a “local government” as defined in Article XIII of the California Constitution. The Project remains subject to certain “direct assessments,” which amounts are reflected as “Assessments” in APPENDIX I – FINANCIAL PROJECTIONS AND UNDERLYING ASSUMPTIONS FOR THE FACILITIES. See also “APPENDIX L – FORM OF PROPERTY TAX EXEMPTION OPINION.”

Appraisal of the Facilities

Newmark Knight Frank prepared the Appraisal for the Project dated as of November 20, 2020. The valuation date of the Appraisal is October 28, 2020, and includes two distinct determinations of value. The Appraisal’s “Prospective Market Value “As Is” is \$66,000,000. The Appraisal’s “Hypothetical Value,” assuming the Facilities are restricted to middle-income households and achieve the related property tax exemption, is \$80,300,000.

APPRAISALS, BY THEIR NATURE, ARE BASED ON THE JUDGMENT OF THE APPRAISER, REPRESENT ONLY ESTIMATES OF VALUE AND SHOULD NOT BE RELIED UPON AS A MEASURE OF REALIZABLE VALUE. THE APPRAISAL IS DATED AS OF NOVEMBER 19, 2020 WITH A VALUATION DATE OF OCTOBER 28, 2020. NO FURTHER UPDATE OF THE APPRAISAL HAS BEEN PREPARED. THERE CAN BE NO ASSURANCE THAT THE INFORMATION SET FORTH THEREIN CONTINUES TO BE ACCURATE IN ALL RESPECTS AS OF THE DATE HEREOF.

Phase I Environmental Site Assessment

Partner Engineering & Science, Inc. (the “Environmental Consultant”) was retained to perform a Phase I Environmental Site Assessment with respect to the Facilities. A copy of the Site Assessment, which is dated November 3, 2020 (the “Site Assessment”), may be obtained from the Underwriter upon written request throughout the Underwriting Period. In the Site Assessment, the Environmental Consultant did not observe any recognized environmental conditions, controlled recognized environmental conditions, historical recognized environmental conditions or environmental issues during the course of its assessment. Based on the conclusions of the Site Assessment, the Environmental Consultant did not recommend any further investigation of the subject property.

No update to the Site Assessment has been requested; however, to the Authority's knowledge, there has been no change in the environmental condition of the Facilities that would lead to a change in the conclusions in the Site Assessment.

Seismic Report

Partner Engineering & Science, Inc. (the "Seismic Consultant") was retained to complete a Seismic Report. A copy of the Seismic Report, which is dated November 3, 2020 (the "Seismic Report"), may be obtained from the Underwriter upon written request throughout the Underwriting Period. Subject to the Seismic Report's technical limitations, the building was found to have acceptable damageability with PML score below 20% and no mandatory seismic retrofit programs were noted in the Seismic Report. Additionally, the Seismic Consultant performed a probable maximum loss evaluation for earthquake due diligence assessment for a Level 1 Seismic Risk Assessment in accordance with industry guidelines and determined the aggregate probable maximum loss evaluation to be 12% for "Scenario Expected Loss-475," (meaning loss resulting from the damage experienced due to a 475-year return period earthquake). Subject to the Seismic Report's technical limitations, the Seismic Consultant made no recommendations for further study or action.

Property Condition Report

Partner Engineering & Science, Inc. (the "Property Condition Consultant") was retained to complete a Property Condition Report for the Facilities. A copy of the Property Condition Report, which is dated November 11, 2020 (the "Property Condition Report"), may be obtained from the Underwriter upon written request throughout the Underwriting Period. With the exception of the items listed in Tables 1 and 2 therein, the Property Condition Report did not identify any additional immediate repairs or deferred maintenance over the evaluation period of 12 years, and reported that the Facilities appeared to be in good to fair condition, however, due to concerns and issues presented by COVID-19, access to the interior or other portions of the subject property was limited or denied. The Property Condition Report presented opinions of costs for items or conditions that require immediate action, which are defined as those conditions that should be addressed at the first practical opportunity. In addition, the Property Condition Report presented opinions of costs for items or conditions that may not require immediate action, but should be conducted on a priority basis above and beyond routine maintenance. Generally, the recommended time frame for addressing these items is two years. See "APPENDIX D – THE PROPERTY CONDITION REPORT."

Compilation Report

Carter & Company Certified Public Accountants, LLC (the "Compilation Report Consultant") was retained to complete a compilation report (the "Compilation Report") for the Facilities. A copy of the Compilation Report, which is dated December 7, 2020, is attached hereto. See "EXHIBIT A – THE COMPILATION REPORT."

Other Reports

An additional report pertaining to fire protection and life safety was prepared by a third party consultant, and may be made available by request to the Administrator and consent of the

third party. Costs associated with fire protection and life safety items are also estimated within the Property Condition Report.

FINANCIAL INFORMATION

Historic Occupancy

Based on information obtained from the seller’s financial statements, the average economic and physical occupancy of the residential units for the Facilities for the years ended December 31, 2017, 2018, and 2019, and the twelve months end September 30, 2020 was as follows:

	Year ended December 31			12-months ended
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>September 2020</u>
Physical Occupancy	96.46%	96.30%	97.85%	97.68%
Economic Occupancy	92.98%	91.12%	95.02%	92.11%

Physical occupancy as of November 10, 2020, was approximately 99%. No assurance can be given, however, as to the future occupancy levels of the Facilities.

Operating Expenses; Operating Plan and Budget

The Compilation Report shows the operating expenses of the Project prior to the acquisition by the Authority of the Project compared to budgeted operating expenses for the first year after acquisition by the Authority of the Project. See “Exhibit A — Compilation Report” hereto.

The Project Administrator will coordinate with the Property Manager to develop and prepare for submission by the Project Administrator to the Authority the Operating Plan and Budget, which is the annual marketing and operating plan and budget for the Project with respect to Operating Expenses. Operating Expenses includes all those ordinary and necessary expenses incurred in the operation of the Project or the Bonds, including, without limitation, Insurance Costs, Taxes, fees to due to the Property Manager, the cost of maintenance and utilities, the costs of advertising, marketing, and business promotion and lease payments for equipment to be installed and utilized at the Project. Operating Expenses does not include (a) depreciation and amortization on capitalized assets; (b) payments of principal and interest related to any financing of the Project; (c) costs paid or reimbursed by and pursuant to the Project Administrator’s or Property Manager’s indemnity, hold harmless and defense agreements contained in the Project Administration Agreement (funded out of the Project Administrator’s own funds, from whatever source, including Insurance Proceeds to the extent paid to the Project Administrator) or the Property Management Agreement (funded out of the Property Manager’s own funds, from whatever source, including Insurance Proceeds to the extent paid to the Property Manager), respectively; (d) other than with respect to limited reimbursable items, costs incurred by the Project Administrator to perform obligations, duties, covenants, agreements and responsibilities which, under the express terms of the Project Administration Agreement, are to be funded from the Project Administrator’s own funds; (e) Capital Expenses; and (f) Administrative Expenses, which includes fees of the Trustee, Authority and Dissemination Agent.

Historical Financials

The Historical Compilation Report shows the historical gross operating revenues and operating expenses (unaudited) for the Project. See “Exhibit A — Compilation Report” hereto.

Historical Financials were provided by the seller of the Facilities. Parties have not undertaken to verify the accuracy of the information presented therein.

Financial Projections

The financial projections related to the future operations of the Facilities are set forth as Appendix I to this Limited Offering Memorandum.

Insurance

The Authority carries insurance policies that management believes to be consistent with industry standards for similarly sized multifamily projects. The insurance policies include property, terrorism, business income, commercial general liability, umbrella liability, and other insurance coverages, as set forth in the Project Administration Agreement.

Project Administrator Insurance Coverage Requirements. The Project Administrator shall put in full force and effect or cause to be put in full force and effect insurance coverage of the types and minimum limits as follows during the term of this Agreement:

Property Coverage

Property Insurance. Insurance against loss customarily included in “All Risk” policies including vandalism, malicious mischief and such other insurable hazards as, under good insurance practices, from time to time are insured against for other property and buildings similar to the Property and Building Equipment in nature, use, location, height, and type of construction. Such insurance policy shall also insure the additional expense of demolition and provide coverage for contingent liability from Operation of Building Laws, Demolition Costs and Increased Cost of Construction Endorsements and containing an “Ordinance or Law Coverage” endorsement. The amount of such “All Risk” insurance shall be not less than one hundred percent (100%) of the replacement cost value of the Property and the Building Equipment. The replacement cost for purposes of this Contract shall mean the estimated total cost of construction required to replace the Improvements with a substitute of like utility, and using modern materials and current standards, design, and layout. In addition, there should be no limitations or Actual Cash Value valuations specified (e.g. roofs).

Authority shall be named “Loss Payee” on a “Standard Mortgagee Endorsement” and be provided not less than thirty (30) days advance notice of change in coverage, cancellation, or non-renewal except ten (10) days for non-payment of premium.

Terrorism Insurance. The Project Administrator shall be required to carry Terrorism Insurance throughout the term of the Loan in amounts and in form and substance satisfactory to Authority. Terrorism Insurance coverage may be provided under the Terrorism Risk Insurance Act

(TRIA) or its equivalent or a stand-alone Terrorism & Sabotage policy reasonably acceptable to Authority.

Business Income Insurance. Business Income insurance in an amount equal to at least twelve (12) months actual loss sustained with a limit of liability enough to avoid any co-insurance penalty. Business income limit must provide proceeds which will cover the actual loss of profits, rents, and any extra expenses sustained during the period of at least twelve (12) months following the date of casualty plus a 365-day extended period of indemnity.

Boiler and Machinery Insurance. Comprehensive boiler and machinery insurance (equipment breakdown) covering all mechanical and electrical equipment against physical damage and any resulting business income loss sustained. Boiler and machinery should be added as a covered peril up to the full policy limits for building, business personal property, and business income.

Liability Coverage

Commercial General Liability. ISO Form CG0001 covering commercial general liability (CGL) on an “occurrence” basis, including products and completed operations, property damage, bodily injury, personal injury, and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate applies, either the general aggregate shall apply separately to this project or location (ISO CG2503 or CG2504) or the general aggregate limit shall be \$2,000,000.

Automobile Liability. ISO Form CA0001 covering Symbol 1 (any auto) with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage. Symbols 8 and 9 (hired and non-owned auto) are also acceptable if there are no owned autos.

Umbrella Liability. Provided follow form to the underlying liability coverages with limits no less than \$25,000,000 per occurrence and in the aggregate.

Worker’s Compensation and Employer’s Liability Insurance. Workers’ Compensation insurance shall be provided as required by any applicable law or regulation. Employer’s Liability insurance shall be provided with a limit no less than \$1,000,000 per accident or per employee for bodily injury, accident, or disease.

Employee Dishonesty and Computer Fraud. Employee Dishonesty and Computer Fraud coverage for Loss arising out of or in connection with any fraudulent or dishonest acts committed by the employees or affiliates or non-employee agents of manager, acting alone or in collusion with others, including the property and funds of others in their care, custody or control, in a minimum amount of \$1,000,000 per claim or an amount to sufficiently provide coverage for the funds under management and name Authority as Loss Payee.

Errors and Omissions Liability. Professional Liability or Errors and Omissions insurance coverage for the liability for financial loss due to error, omission, negligence of employees in an amount of no less than \$1,000,000 per claim with a deductible no greater than \$250,000 per occurrence.

Employment Practices Liability. Coverage shall be provided by the Property Manager and the Project Administrator for all employment related claims in the amount of at least \$1,000,000 per claim, including coverage for third party discrimination claims.

Property Manager Insurance Coverage Requirements

The Property Manager shall, at its sole cost and expense, keep in full force and effect insurance coverage of the types and minimum limits as follows:

Commercial General Liability. ISO Form CG0001 covering commercial general liability (CGL) on an “occurrence” basis, including products and completed operations, property damage, bodily injury, personal injury, and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate applies, either the general aggregate shall apply separately to this project or location (ISO CG2503 or CG2504) or the general aggregate limit shall be \$2,000,000.

Automobile Liability. ISO Form CA0001 covering Symbol 1 (any auto) with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage. Symbols 8 and 9 (hired and non-owned auto) are also acceptable if there are no owned autos.

Umbrella Liability. Provided follow form to the underlying liability coverages with limits no less than \$5,000,000 per occurrence and in the aggregate.

Worker’s Compensation and Employer’s Liability Insurance. Workers’ Compensation insurance shall be provided as required by any applicable law or regulation. Employer’s Liability insurance shall be provided with a limit no less than \$1,000,000 per accident or per employee for bodily injury, accident, or disease.

Employee Dishonesty and Computer Fraud. Employee Dishonesty and Computer Fraud coverage for Loss arising out of or in connection with any fraudulent or dishonest acts committed by the employees or affiliates or non-employee agent’s of manager, acting alone or in collusion with others, including the property and funds of others in their care, custody or control, in a minimum amount of \$1,000,000 per claim or an amount to sufficiently provide coverage for the funds under management and name Authority as Loss Payee.

Errors and Omissions Liability. Professional Liability or Errors and Omissions insurance coverage for the liability for financial loss due to error, omission, negligence of employees in an amount of no less than \$2,000,000 per claim with a deductible no greater than \$100,000 per occurrence.

Employment Practices Liability. Coverage shall be provided by the Property Manager and the Project Administrator for all employment related claims in the amount of at least \$1,000,000 per claim, including coverage for third party discrimination claims.

General Insurance Provisions

Other Insurance. At the Authority’s reasonable request, such other insurance with respect to the Property against loss or damage of the kinds from time to time customarily insured against

and in such amounts as are generally required by institutional lenders on loans of similar amounts and secured by property comparable to, and in the general vicinity of, the Property.

Additional Insured. The Authority is to be named as an additional insured on the CGL with respect to liability arising out of work or operations performed by or on behalf of the manager or administrator. Coverage can be provided in the form of an endorsement to the manager and administrator's insurance at least as broad as ISO CG2010(11-85) or both CG2010, CG2026, CG2033, or CG2038; and CG2037 if later form editions are used.

Waiver of subrogation. The Property Manager and Project Administrator shall waive rights of subrogation against the Authority which any insurer may acquire by the payment of any loss. The Workers Compensation policy shall be endorsed with a waiver of subrogation in favor of the Authority for all work performed by the Property Manager, Project Administrator, its employees, agents, and subcontractors.

Ratings of Insurers. The Property Manager and Project Administrator shall maintain the insurance coverage described this document, in all cases, with insurers reasonably acceptable to the Authority, having claims-paying-ability and financial strength ratings by A.M. Best of not less than "A-VII" and its equivalent by the other Rating Agencies. All insurers providing insurance required by the Master Insurance Schedule shall be authorized to issue insurance in the State in which the Property is located.

Form of Insurance Policies; Endorsements. All insurance policies shall be in such form and with such endorsements as are reasonably satisfactory to the Authority (and the Authority shall have the right to approve amounts, form, risk coverage, deductibles, loss payees and insureds). A certificate of insurance with respect to all the above-mentioned insurance policies shall be delivered to the Authority and certified copies of all such policies shall be delivered to the Authority upon written request. All policies shall name the Authority as an additional insured, shall provide that all Proceeds (except with respect to Proceeds of general liability and workers' compensation insurance) be payable to the Authority as and to the extent set forth by this agreement, and shall contain: (i) a standard "non-contributory mortgagee" endorsement or its equivalent relating to recovery by the Authority notwithstanding the negligent or willful acts or omissions of the Project Administrator; (ii) a waiver of subrogation endorsement in favor of the Authority; (iii) an endorsement providing that no policy shall be impaired or invalidated by virtue of any act, failure to act, negligence of, or violation of declarations, warranties or conditions contained in such policy by the Project Administrator, the Property Manager, the Authority or any other named insured, additional insured or loss payee, except for the willful misconduct of the Authority knowingly in violation of the conditions of such policy; (iv) an endorsement providing for a deductible per loss of an amount not more than that which is customarily maintained by prudent administrators of properties with a standard of operation and maintenance comparable to and in the general vicinity of the Property, but in no event in excess of an amount reasonably acceptable to the Authority; and (v) a provision that such policies shall not be canceled, terminated or expire without at least thirty (30) days' prior written notice, except ten (10) days for non-payment of premium, to the Authority, in each instance.

Certificates. The Project Administrator shall deliver to the Authority annually, concurrently with the renewal of the insurance policies required hereunder, a certificates of

insurance providing evidence that the insurance policies required to be delivered to the Authority pursuant to this Section 1 are maintained with insurers who comply with the terms of Section 1, setting forth a schedule describing all premiums required to be paid by the Project Administrator to maintain the policies of insurance required under this Section 1, and stating that the Project Administrator has paid such premiums. Certificates of insurance with respect to all replacement policies shall be delivered to the Authority not less than fifteen (15) Business Days prior to the expiration date of any of the insurance policies required to be maintained hereunder which certificates shall bear notations evidencing payment of applicable premiums. The Authority may request that the Project Administrator provides certified copies of such replacement insurance policies on or before the earlier to occur of (i) thirty (30) days after the effective date thereof and (ii) five (5) Business Days after the Project Administrator's receipt thereof. If the Project Administrator fails to maintain and deliver to the Authority the certificates of insurance required by this Agreement, upon five (5) Business Days' prior notice to the Project Administrator, the Authority may procure such insurance, and all costs thereof (and interest thereon at the Default Rate) shall be added to the Indebtedness. The Authority shall not, by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and the Project Administrator hereby expressly assumes full responsibility therefor and all liability, if any, with respect to such matters.

The Project Administrator's failure to secure and maintain such insurance coverages and limits shall not eliminate the Project Administrator's liability to Authority pursuant to this agreement, at law or in equity.

The Authority reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

Litigation

No litigation is pending or threatened concerning the validity of the Series 2020 Bonds. The Authority is not aware of any litigation pending or threatened questioning the existence of the Authority, contesting the Authority's authority to issue the Series 2020 Bonds, contesting the Authority's ability to receive or to collect revenues from the Facilities or contesting the Authority's ability to borrow the proceeds of the Loan or make payments with respect thereto. There are currently no outstanding lawsuits or claims pending against the Authority or the Property.

EXHIBIT A
COMPILATION REPORT

CSCDA Community Improvement Authority
(Renaissance at City Center)

Summarized Financial Statements

Twelve Months Post Closing (Forecasted)

and

The Period Ended September 30, 2020 and
the Years Ended December 31, 2019, 2018 and 2017

Summarized Financial Statements

CSCDA Community Improvement Authority
(Renaissance at City Center)

Twelve Months Post Closing (Forecasted) and

The Period Ended September 30, 2020 and the Years Ended December 31, 2019, 2018 and 2017

Compilation Report 1

Schedules of Net Operating Revenue Before Debt Service and Depreciation 2

Summary of Significant Forecast Assumptions 3

CARTER & COMPANY

Certified Public Accountants, LLC

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Suite 201
Destin, Florida 32541
Phone: 850-650-0125
Fax: 850-650-0126
www.cartercpa.net

Board of Trustees
CSCDA Community Improvement Authority
(Renaissance at City Center)

We have compiled the accompanying forecasted schedules of net operating revenue before debt service and depreciation of CSCDA Community Improvement Authority (Renaissance at City Center) as of twelve months post closing, in accordance with attestation standards established by the American Institute of Certified Public Accountants.

A compilation of forecasted schedules is limited to presenting in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecasts. We have not examined the forecasts and schedules and, accordingly, do not express an opinion or any other form of assurance on the accompanying forecasted statements or assumptions. Furthermore, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Management is responsible for the accompanying historical financial statements of CSCDA Community Improvement Authority (Renaissance at City Center), which comprise the Schedule of Net Operating Revenue Before Debt Service and Depreciation for the period ended September 30, 2020 and the years ended December 31, 2019, 2018 and 2017, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the historical financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these historical financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's results of Net Operating Revenue Before Debt Service and Depreciation. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Destin, Florida
December 7, 2020



CSCDA -- Community Improvement Authority
(Renaissance at City Center)

SCHEDULES OF NET OPERATING REVENUE BEFORE DEBT SERVICE AND DEPRECIATION

					Forecast Schedule
INCOME	Year Ended 12/31/2017	Year Ended 12/31/2018	Year Ended 12/31/2019	Period Ended 9/30/2020	Twelve Months Post Closing
Residential					
Total Gross Rental Revenue	\$ 4,683,657	\$ 4,922,536	\$ 4,995,925	\$ 5,057,785	\$ 4,990,316
Loss to Lease	(246,654)	(161,862)	(110,712)	(159,724)	
Vacancy Loss	(165,724)	(182,348)	(107,223)	(117,452)	(249,516)
Concessions	(12,465)	(147,251)	(14,238)	(100,548)	(124,758)
Employee / Model Units	(98,777)	(75,351)	(107,409)	(106,871)	(102,528)
Bad Debt	(51,690)	(32,234)	(19,869)	(74,152)	(147,214)
Net Rental Income	4,108,347	4,323,490	4,636,474	4,499,038	4,366,300
Tenant Charges	125,371	119,933	135,503	128,200	124,668
Parking Revenue	18,686	17,941	23,951	13,340	13,340
RUBS	127,254	135,878	143,561	149,633	154,122
Total Other Income	271,311	273,752	303,015	291,173	292,130
Effective Gross Income - Residential	\$ 4,379,658	\$ 4,597,242	\$ 4,939,489	\$ 4,790,211	\$ 4,658,430
Retail					
Total Gross Rental Revenue	\$ 214,915	309,468	353,570	349,709	389,105
Vacancy Loss	0	(34,650)	(25,988)	(13,632)	(194,553)
Bad Debt	(15,621)	(9,164)	(74,372)	(120,963)	-
Effective Gross Income - Retail	\$ 199,294	\$ 265,654	\$ 253,210	\$ 215,114	\$ 194,552
Effective Gross Income	\$ 4,578,952	\$ 4,862,896	\$ 5,192,699	\$ 5,005,325	\$ 4,852,982
EXPENSES					
Administrative Expenses	\$ 54,969	\$ 73,737	\$ 63,755	\$ 59,478	\$ 61,262
Marketing Expenses	33,340	31,964	43,472	53,390	54,991
Turnover	42,946	58,401	52,751	70,565	60,000
Maintenance & Repairs	47,669	77,112	104,719	131,710	75,000
Utilities	148,495	152,348	143,836	151,149	155,683
Payroll & Benefits	295,594	287,755	286,454	309,186	295,449
Management Fees	114,975	121,623	129,577	123,655	121,325
Contracts	192,015	280,449	295,652	243,969	227,838
Real Estate Taxes & Assessments	687,727	651,469	708,340	698,408	56,639
Property Insurance	21,797	23,646	28,948	50,193	95,350
Total Expenses	\$ 1,639,527	\$ 1,758,504	\$ 1,857,504	\$ 1,891,703	\$ 1,203,537
Pro Forma: Replacement Reserve	164,851	182,041	294,300	301,240	43,500
Total Expenses	\$ 1,804,378	\$ 1,940,545	\$ 2,151,804	\$ 2,192,943	\$ 1,247,037
Net Operating Income Available for Debt Service	\$ 2,774,574	\$ 2,922,351	\$ 3,040,895	\$ 2,812,382	\$ 3,605,945

See accompanying summaries of significant forecast assumptions and accounting policies and accountant's report.

Summarized Financial Statements

CSCDA Community Improvement Authority
(Renaissance at City Center)

Twelve Months Post Closing (Forecast)

Prior Three Fiscal Year Ends and the Prior Year End to September 30, 2020 (Historical)

Note 1 – Summary of Significant Forecast Assumptions

The forecast presents, to the best of management's knowledge and belief, the net operating revenue and expenses before debt service and depreciation of the Renaissance at City Center Apartments for the forecast period. Accordingly, the forecast reflects management's judgment as of December 2, 2020, the date of the forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected and those differences may be material.

Significant assumptions for the Renaissance at City Center apartments are as follows:

INCOME

Gross Rental Revenue for the residential units is based on the requirements of the Regulatory Agreement. Under the Regulatory Agreement rents are restricted based on a tenant's income. Tenants currently residing at the property whose income is above 120% of AMI are not subject to any rent restrictions. Units rented to tenants subject to the rent restrictions in the Regulatory Agreement have rents assumed to be the lesser of maximum restricted rents or market rent. Units rented to tenants not subject to the Regulatory Agreement have rents assumed to be market rent. Vacancy and Collection Loss for the residential units is assumed to be 12.50%.

Gross Rental Revenue for the commercial space is based on current market rental rates a common area maintenance ("CAM") charges. Vacancy and Collection Loss for the commercial space is assumed to be 50%.

EXPENSES

Expenses are based on historical expenses (excluding extraordinary items) adjusted for the purchaser's post-acquisition operating plan, which includes entering into new service contracts, revising operating policies and procedures and eliminating services that are not needed.

The management fee is 2.50% of the revenues projected for the forecast period.

The insurance expenditure provision is based on \$636 per unit per year.

The replacement reserve/capital expenditure provision is based on deposits of \$290 per unit per year.

The property is assumed to be exempt from real estate taxes, but remains subject to certain annual direct assessments equal to \$56,639 per year.

Summarized Financial Statements

CSCDA Community Improvement Authority
(Renaissance at City Center)

Twelve Months Post Closing (Forecast)

Prior Three Fiscal Year Ends and the Prior Year End to September 30, 2020 (Historical)

Note 2 – Reclassifications

The historical financial information was provided by the seller of the property and the accuracy of the historical information has not been independently verified. The seller did not separately track capital expenses. Certain historical expenses have been reclassified as capital expenses consistent with the intended accounting treatment of such expenses going forward.

APPENDIX B

FORM OF PROPERTY TAX EXEMPTION OPINION

[Closing Date]

Stifel, Nicolaus & Company, Incorporated
10500 N.E. 8th St., Suite 1410
Bellevue, WA 98004-5118

Wilmington Trust, National Association
650 Town Center Drive, Suite 800
Costa Mesa, California 92626

CSCDA Community Improvement Authority
1700 North Broadway, Suite 405
Walnut Creek, California 94596

Re: Legal Opinion Regarding Applicability of the Property Tax Exemption Contained in California Constitution Article XIII, Section 3(b) to Property commonly known as the Renaissance at City Center, 21800 Avalon Blvd., Carson, California to be purchased CSCDA Community Improvement Authority (“CSCDA-CIA”)

Dear Ladies and Gentlemen:

CSCDA-CIA plans to acquire the real property commonly known as the Renaissance at City Center located at 21800 Avalon Blvd., Carson, California (the “Property”). Standard Property Company, Inc. (“Standard”) has contracted with the seller to purchase the property, and Standard is assigning its rights thereunder to CSCDA-CIA. We have been retained by Standard to render this opinion regarding the Property’s exemption from property taxes pursuant to Article XIII, Section 3(b) of the California Constitution upon CSCDA-CIA’s ownership.

MATERIALS EXAMINED

In order to provide the opinion set forth herein, we have examined copies of documents and records related to CSCDA-CIA and the Property, and such other documents that we have deemed relevant and necessary in order to form the basis for the opinion expressed herein, including the following (collectively, “Documents”):

1. Agreement for Purchase and Sale and Joint Escrow Instructions (the “Purchase Agreement”) between Standard, as buyer, and Avalon Carson LLC, a Delaware limited partnership (“Seller”), as seller, dated as of October 29, 2020.

2. Assignment and Assumption of Agreement for Purchase and Sale and Joint Escrow Instructions between Standard and CSCDA-CIA, dated as of [December __, 2020] (the “Assignment and Assumption Agreement”).

3. The Joint Exercise of Powers Agreement, relating to the establishment of CSCDA-CIA, between the County Yolo and the City of Woodland, dated October 15, 2020 (the “JPA Agreement”).

4. The Project Administration Agreement between CSCDA-CIA and Standard Property Company, Inc., dated effective as of [December __, 2020].

5. The Project Management Agreement for the Renaissance at City Center between CSCDA-CIA and Standard Property Company, Inc., dated effective as of [December __, 2020].

6. Resolution 20-166 of the City of Carson (the “City”) adopted November 4, 2020 authorizing the City to become an Additional Member (as defined in the JPA Agreement) of CSCDA-CIA and authorizing the City Manager to enter into a Public Benefit Agreement with CSCDA-CIA.

7. Public Benefit Agreement between CSCDA-CIA and the City, dated as of December 1, 2020 (the “Public Benefit Agreement”).

8. Property’s 2019-2020 Property Tax Bills for Assessor Parcel Nos. 7332-001-047, 048, 050, 054, 055, 056, 057 and 058.

9. Such other documents, certificates of public officials, statutes, ordinances, published rules and regulations, published judicial and governmental decisions interpreting or applying the same, and other official interpretations as we deem applicable in connection with this opinion.

CERTAIN ASSUMPTIONS

In rendering the opinion contained herein, we have assumed, without investigation or further inquiry or verification, or otherwise relying upon, the following: (i) the genuineness of all signatures and the conformity to the originals of all documents submitted to us as copies; (ii) that each Document has been duly authorized, executed and delivered by the parties thereto as is enforceable against each party thereto in accordance with the provisions thereof; and (iii) that all information and each representation and warranty contained in the Documents are true and correct. Further, we make the following assumptions:

1. CSCDA-CIA is a lawful joint powers authority formed and operated in compliance with the requirements set forth in Title 1, Division 7, Chapter 5 of the California Government Code.

2. The requirements set forth in Section 17 of the JPA Agreement Relating to CSCDA-CIA have been met, and are currently in effect.

3. CSCDA-CIA has timely made all filings with state agencies required by California Government Code Section 6503.5.

4. The City has filed copies of Resolution 20-166 with CSCDA-CIA's Board in accordance with Section 12 of the JPA Agreement, and CSCDA-CIA's Board has adopted a resolution approving the addition of the City as an Additional Member to the JPA Agreement.

5. Standard will assign its interest in the Purchase Agreement exclusively to CSCDA-CIA prior to the close of escrow, pursuant to the Assignment and Assumption Agreement.

6. CSCDA-CIA will be the sole owner of the Property upon the close of escrow.

CRITICAL FACTS

Effective as of October 29, 2020, Standard and Seller entered into the Purchase Agreement. Pursuant to the terms of the Purchase Agreement, Standard agreed to purchase the Property from Seller for a total of Sixty-Six Million Dollars (\$66,000,000).

On October 15, 2020, following proper adoption by each of their governing bodies of resolutions authorizing them to do so, each of Yolo County and the City of Woodland executed the JPA Agreement. The JPA Agreement establishes and creates CSCDA-CIA pursuant to Title 1, Division 7, Chapter 5 of the California Government Code.

CSCDA-CIA was formed "to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or other applicable law ..." (JPA Agreement, Section 1). It is the intent of the Members "to undertake the financing and refinancing of projects of any nature, including but not limited to, workforce housing projects and... purchase or acquisition of property." (JPA Agreement, Paragraph 9 and Section 1). CSCDA-CIA's boundaries "shall encompass the boundaries of all the Members and the powers of [CSCDA-CIA] ... may be exercised anywhere in those boundaries or to the extent permitted by the laws of the State of California" (JPA Agreement, Section 4).

On November 4, 2020, the City Council of the City passed Resolution 20-166 (the "City Resolution"), authorizing the City "to become a non-charter Additional Member of CSCDA-CIA," authorizing the Mayor to execute the JPA Agreement, and "authorizing the City Manager to enter into the Public Benefit Agreement with CSCDA-CIA in the form attached to the City Resolution. As permitted under Section 12 of the JPA Agreement, the City Resolution limits the status of the City as an Additional Member to the financing or refinancing of the acquisition, construction, development and related costs of multifamily housing developments within the City.

On [_____, 2020], CSCDA-CIA's Board adopted Resolution No[_____], approving the addition of the City as an Additional Member.

OPINION

Article XIII, Section 3(b) of the California Constitution exempts property owned by “a local government” from property tax, except as otherwise provided in Section 11(a) of the California Constitution. The term “local government” is not expressly defined in Article XIII, but the term has been “liberally construed” by the California State Board of Equalization (“BOE”) to include cities, counties, and other political subdivisions of the State. The BOE has also held that a joint powers authority (“JPA”) constitutes a local government entity entitled to Article XIII, Section 3(b)’s property tax exemption.

The property tax exemption set forth in Article XIII, Section 3(b) only applies to property located within the local government’s boundaries. Article XIII, Section 11 provides that “[l]ands owned by a local government that are outside its boundaries, . . . are taxable if . . . [they] were taxable when acquired by the local government.” Improvements owned by a local government outside of its boundaries are also taxable if the improvements were subject to tax at the time of acquisition. Accordingly, determining a local government’s boundaries is crucial in determining whether property it owns will be subject to property tax.

The BOE has advised county assessors that a JPA’s boundaries are those of its member agencies. The Guidelines for the Assessment of Taxable Government-Owned Properties, approved by the BOE on June 15, 2000, and sent to county assessors provide:

[T]he boundaries of a joint powers agency under Government Code section 6500 et seq. are the combined pre-established boundaries of each of the members of the agency. Therefore, all real property acquired by the joint powers agency that is outside the pre-established boundaries of each of the members, and that was taxable when acquired, is subject to section 11 assessment. Conversely, all real property within the boundaries of each of the members of the agency is not subject to assessment under section 11. (Emphasis added.)

Based on the foregoing, we conclude that real property acquired by a JPA that is located within a JPA members’ boundaries is exempt from property taxes. Conversely, any property acquired by a JPA that is outside of its members’ boundaries that is taxable when acquired is subject to property tax pursuant to under Article XIII, Section 11.

California Government Code Section 6502 provides, in pertinent part, “[i]f authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties” The JPA Agreement documents CSCDA-CIA’s purpose and the powers common to its members that may be jointly exercised by CSCDA-CIA. The JPA Agreement also sets forth the manner in which public agencies can opt to join, and become a member of, CSCDA-CIA.

The JPA Agreement provides that all parties that execute the Agreement are considered “Members” of CSCDA-CIA. (JPA Agreement, Paragraph 1) There are two types of Members—Charter Members and Additional Members. In order to join CSCDA-CIA, both Charter Members and Additional Members must: (i) be public agencies; (ii) have the authorization of their governing body; and (iii) execute a copy of the JPA Agreement.

On October 15, 2020, Yolo County and the City of Woodland executed the JPA Agreement, creating and establishing CSCDA-CIA. Yolo County and the City of Woodland are Charter Members of CSCDA-CIA. On November 4, 2020, the City Council passed Resolution No. 20-166 authorizing the “City to become an Additional Member of [CSCDA-CIA].”

As described more fully above, each of Yolo County and the City of Woodland has signed the JPA Agreement, each as a Charter Member (as defined in the JPA Agreement). On _____, 2020, the City executed the JPA Agreement as an Additional Member. As more fully described above, CSCDA-CIA’s Board has approved the addition of the City as an Additional Member of CSCDA-CIA. By taking all of these steps, the governing bodies of Yolo County, the City of Woodland and the City have all entered into an agreement to jointly exercise their common powers. Accordingly, both Charter Members and Additional Members are members of CSCDA-CIA for purposes of the Joint Exercise of Powers Act.

CSCDA-CIA’s boundaries are the combined, pre-established boundaries of its members. Property purchased by CSCDA-CIA that is located within the boundaries of Yolo County, the City of Woodland the City, or other Members will be exempt from property taxes pursuant to Article XIII, Section 3(b). The Purchase Agreement indicates that the Property is situated in the City of Carson, County of Los Angeles, State of California.

Based on the foregoing, we are of the opinion that:

- 1. The Property is located within the boundaries of CSCDA-CIA; and**
- 2. The Property is exempt from property taxation pursuant to Article XIII, Section 3(b) of the California Constitution.** In the case of the Property, having reviewed the Property’s 2019-20 Property Tax Bills, we conclude more specifically that CSCDA-CIA’s ownership will exempt the Property from ad valorem taxes.

RELIANCE ON OPINION

Our opinions expressed herein are based upon the facts, assumptions and other qualifications stated herein. We have assumed the accuracy of the representations and warranties in the Documents or otherwise provided to us. The opinion expressed herein may be affected by actions taken or omitted, events occurring, or changes in the relevant facts, after the date hereof which would in each case violate any assumption contained herein. This opinion addresses the legal consequences of only the facts existing or assumed on the date hereof to the extent the same are relevant to assumptions made herein.

The opinions expressed herein are not a guaranty as to what action may be taken by the tax assessor for the county in which the Property is located, but an opinion as to the decision that the tax assessor and any court reviewing the actions of the tax assessor would reach if the issues are properly presented to it and the tax assessor and the court followed existing law and BOE interpretations and precedent as described herein.

This opinion is furnished to Standard solely for its benefit, the benefit of CSCDA-CIA and the holders of debt issued by CSCDA-CIA for the purpose of the financing of the acquisition of the Property, and their respective successors and/or assigns. This opinion may not be used, quoted

from or relied upon by any other person without our prior written consent, except that Standard and its successors and/or assigns may deliver copies of this opinion to (a) independent auditors, accountants, attorneys and other professionals acting on behalf of Standard or its successors and/or assigns, as applicable, and (b) governmental agencies having regulatory or taxing authority over the Property and Standard and its successors and/or assigns.

Very truly yours,

MEYERS, NAVE, RIBACK, SILVER & WILSON

APPENDIX C

THE APPRAISAL

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ANNUAL REPORT
CONFERENCE
SCHEDULE
CONTACT US

**Newmark
Knight Frank**

Renaissance at City Center

21800 Avalon Boulevard
Carson, Los Angeles County, CA 90745
NKF Job No.: 20-0123383-1

Appraisal Report Prepared For:

CSCDA Community Improvement Authority
c/o John Penkower
1700 N Broadway, Suite 405
Walnut Creek, CA 94596

Stifel, Nicolaus & Company, Inc.
1401 Lawrence Street, Suite 900
Denver, CO 80202
c/o Brad Edgar

Standard Renaissance Administrator LLC
and Standard Faring Workforce LLC
Standard Property Company, Inc.
c/o Jeffrey Jager and Geoffrey Moen
1901 Avenue of the Stars, Suite 395
Los Angeles, CA 90067

Prepared By:

Newmark Knight Frank
Valuation & Advisory, LLC
18401 Von Karman Avenue, Suite 150
Irvine, CA 92614



November 19, 2020

CSCDA Community Improvement Authority
c/o John Penkower
1700 N Broadway, Suite 405
Walnut Creek, CA 94596

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1401 Lawrence Street, Suite 900
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Standard Renaissance Administrator LLC and Standard Faring Workforce LLC
Standard Property Company, Inc.
c/o Jeffrey Jager and Geoffrey Moen
1901 Avenue of the Stars, Suite 395
Los Angeles, CA 90067

RE: Appraisal of a Multifamily Property located at 21800 Avalon Boulevard, Carson, Los Angeles County, CA 90745, prepared by Newmark Knight Frank Valuation & Advisory, LLC (herein "Firm" or "NKF")

NKF Job No.: 20-0123383-1

Dear Mr. Penkower, Edgar, Jager and Moen:

The subject property is a 2013-built, 150-unit mixed-use development in the City of Carson. The site totals 3.10-acres and is comprised of one, four-story building. The subject has a total gross building area of 197,344 square feet with 138,249 square feet of residential area and 12,706 square feet of ground floor retail. The unit mix includes (43) one-bedroom, (95) two-bedroom, and (12) three-bedroom units. As of the date of inspection the multi-family portion was 98.7% occupied with two vacant units.

The retail component is divided into eight spaces and there is one, 1,000-square-foot vacant space (7.9 percent). The majority of the tenants are local, service-oriented tenants that have been impacted by Covid-19.

Project amenities include a swimming pool, spa, BBQ area, billiards lounge, business center, movie screening room, outdoor fireside lounge, conference room, and a fitness center. Parking is provided by 487 total garage spaces (299 allocated to the residential, 151 allocated to the retail portion, and 37 extra spaces). Units include central HVAC, stainless steel appliances, quartz countertops, vinyl plank flooring, in-unit washer/dryer, and a private patio or balcony.

November 19, 2020

The property is located less than one half mile south and west of the 405 Freeway and one and a half miles east of the 110 Freeway.

Standard Property Company, Inc. is in contract to acquire this property from Avalon Carson, LLC for a total consideration of \$66,000,000 or \$440,000 per unit. The purchase agreement is dated October 29th, 2020.

Based on the analysis and research completed to prepare this appraisal, the contract price is at market and has been given strong consideration in the as is value conclusion for the subject.

Key Value Considerations

Strengths

- Property is in good condition
- Stabilized occupancy
- Proximity to the 405 Freeway and 110 Freeway
- Desirable location in the City of Carson
- The overall appeal of this sub-market continues to improve as there are now multiple buildings along Carson Avenue which create an established district with multi-family housing and supporting commercial retail development.

Risk Factors

- The impact of COVID-19 is just starting to impact the multifamily market and anticipated to be significant over the next 6 to 12+ months

COVID-19 Pandemic

The COVID-19 Pandemic has had a significant impact on the economy and, by extension, real estate markets. Commercial real estate is transforming and adapting with some similarities and some differences to previous crises. As the Pandemic has progressed, there has been greater clarity about the effects through metric and transactional data as well as market participant information and expectations. Although transactional data is hard to come by, month over month sales volumes are turning positive – they are just still significantly depressed as evidenced by 2nd Quarter U.S. sales volume decreasing 68% from the same period last year according to Real Capital Analytics. Available data and analyses are contained within this appraisal report and are a foundation to the appraisal. Effects and projections related to COVID-19 will be addressed throughout the report. The following are highlights relevant to the subject and this market.



Based on the analysis contained in the following report, the opinions of value for the subject are:

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	10/28/2020	\$66,000,000
Hypothetical Market Value with Restricted Rents	Leased Fee	10/28/2020	\$80,300,000

Completed by NKF

Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

Hypothetical Conditions

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. Our analysis was completed under the hypothetical assumption that there is an affordable housing covenant agreement in place restricting the rents. Based upon terms of these agreements, the concluded income restricted value of the subject property is not reflective of a market value for the asset. We have relied upon information provided by the buyer in concluding to a prospective hypothetical value in this analysis and assume the information provided to us is reflective of the actual terms that will be in place upon commencement of the agreements.
2. The income restriction and ownership entity result in no ad valorem real estate taxes which significant increases the value of the asset.

The use of these hypothetical conditions might have affected assignment results.

The appraisal was developed based on, and this report has been prepared in conformance with the Client’s appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, Title XI of the Financial Institution Reform, Recovery and Enforcement Act (FIRREA) of 1989, and the Interagency Appraisal and Evaluation Guidelines (December 2, 2010).



Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of California.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Brian Hegarty, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
12. As of the date of this report, Robert Holman Jr. has completed the Standards and Ethics Education Requirements for Practicing Affiliates of the Appraisal Institute.
13. Geoff Papp and Berick Treidler made a personal inspection of the property that is the subject of this report. Robert Holman Jr. and Brian Hegarty, MAI have not personally inspected the subject.
14. Significant real property appraisal assistance was provided by Melissa Nowak who has not signed this certification. The assistance of Melissa Nowak consisted of conducting research on the market, subject property, and transactions involving comparable properties, performing certain appraisal analyses, and assisting in report writing, all under the supervision of the person(s) signing this report.
15. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
16. Within this report, "Newmark Knight Frank", "NKF Valuation & Advisory", "NKF, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.



17. Robert Holman Jr. has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. Geoff Papp has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. Brian Hegarty, MAI has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.



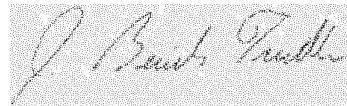
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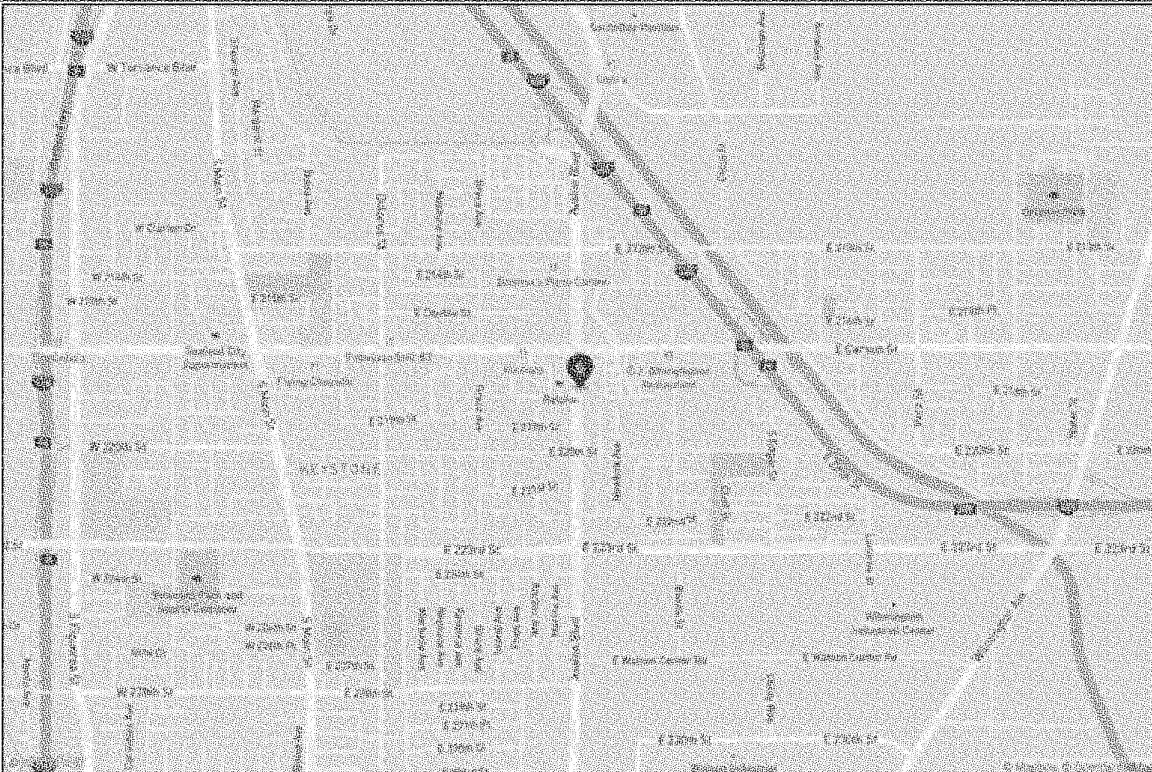
Table of Contents

Appraisal Transmittal and Certification		Hypothetical Income Restricted Analysis	118
Certification		Reconciliation of Value	121
Table of Contents		Assumptions and Limiting Conditions	124
Subject Maps		Addenda	
Subject Photographs			
Executive Summary	15		
Introduction	17		
Economic Analysis	21		
Area Analysis	21		
Neighborhood Analysis	28		
Multifamily Market Analysis	41		
Covid-19	52		
Retail Component	56		
Overall Retail Market Analysis	57		
Land and Site Analysis	70		
Zoning and Legal Restrictions	76		
Improvements Analysis	78		
Real Estate Taxes	82		
Highest and Best Use	84		
Appraisal Methodology	86		
Sales Comparison Approach	87		
Price per Unit Conclusion	92		
Sales Comparison Approach Conclusion	93		
Income Capitalization Approach	94		
Rent Roll / Tenant Overview	94		
Market Rent Analysis	95		
Operating Expense Analysis	112		
Direct Capitalization	114		
Direct Capitalization Summary	116		





Aerial Photo



Location Map

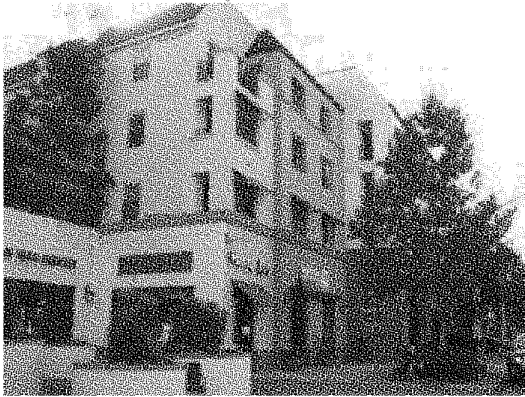




Subject Exterior



Subject Exterior



Subject Exterior



North Facing - Avalon Blvd



South Facing - Avalon Blvd



Interior Hallway

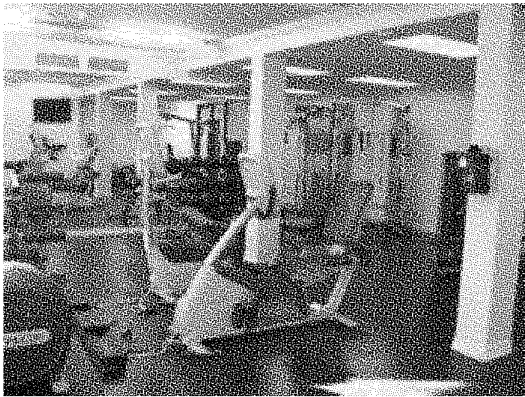




Conference Room



Executive Center



Fitness Room



Game Room



Garage Parking



Lounge





Outside Lounge



Screening Room



BBQ Area



Clubhouse



Clubhouse



Clubhouse

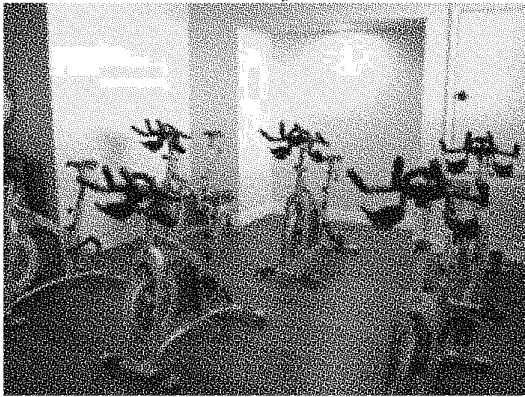




Swimming Pool



Spa



Studio



Retail Suite 103



Retail Suite 104



Retail Suite 105





Retail Suite 106



Retail



Retail



Unit 203 Living Area



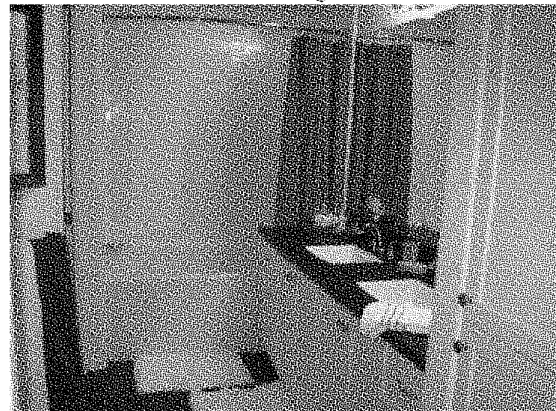
Unit 203 Kitchen



Unit 203 Dining Area



Unit 203 Bedroom



Unit 203 Bathroom

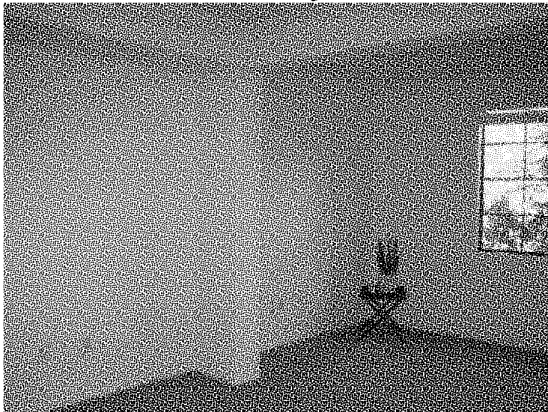




Unit 410 Living Area



Unit 410 Kitchen



Unit 410 Bedroom



Unit 410 Bathroom



Executive Summary

Renaissance at City Center

Property Type:	Multifamily-Mid/High Rise
Street Address:	21800 Avalon Boulevard
City, State & Zip:	Carson, Los Angeles County, CA 90745
Gross Building Area (SF):	197,344
Net Rentable Area (SF):	138,249
Number of Units:	150
Year Built (Renovated):	2013 (None)
Current Occupancy:	98.7%
Land Area:	3.102 acres; 135,119 SF
Zoning:	MU-CS
Highest and Best Use - As Vacant:	A Multifamily Use
Highest and Best Use - As Improved:	Multifamily Use

In-Contract Summary

Buying Entity:	Standard Property Company, Inc.
Selling Entity:	Avalon Carson, LLC
Purchase Price:	\$66,000,000 (\$440,000 Per Unit)
Contract Date:	October 29, 2020

Analysis Details

Valuation Dates:	
Market Value "As Is"	October 28, 2020
Hypothetical Market Value with Restricted Rents	October 28, 2020
Inspection Date and Date of Photos:	October 28, 2020
Report Date:	November 19, 2020
Report Type:	Appraisal Report
Client:	Communities
Intended Use:	Solely for financing purposes
Intended User:	California Statewide Communities Development Agency, c/o Standard Communities
Appraisal Premise:	As Is, Insurable Value, Hypothetical Market Value with Restricted Rents
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 to 12 Months (6 to 12 Months)



Valuation Summary			
Sales Comparison Approach		\$440,000	\$66,000,000
Number of Sales			4
Range of Sale Dates			May-19 to Dec-19
Adjusted Range of Comparables (\$/Unit)		\$416,396 to \$457,188	
Indicated Sales Comparison Approach Value	As Is	\$440,000	\$66,000,000
Income Capitalization Approach			
Capitalization Rate Indicators and Conclusion			Indication
Comparable Sales			4.20% - 4.30%
Investor Surveys			3.50% - 8.0%
Concluded Going-In Capitalization Rate			4.25%
Stabilized Income Estimate			
Net Operating Income		\$18,550	\$2,782,470
Capitalization Rate			4.25%
Indicated Direct Capitalization Value	As Is	\$457,333	\$68,600,000
Indicated Income Capitalization Approach Value	As Is	\$457,333	\$68,600,000
Market Value Conclusion		As Is	\$440,000
		Hypothetical With Restricted Rents	\$535,333
			\$80,300,000
Exposure / Marketing Time			
Concluded Exposure Time	6 to 12	Months or Less	
Concluded Marketing Time	6 to 12	Months or Less	

Compiled by NKF

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. Our analysis was completed under the hypothetical assumption that there is an affordable housing covenant agreement in place restricting the rents. Based upon terms of these agreements, the concluded income restricted value of the subject property is not reflective of a market value for the asset. We have relied upon information provided by the buyer in concluding to a prospective hypothetical value in this analysis and assume the information provided to us is reflective of the actual terms that will be in place upon commencement of the agreements.
2. The income restriction and ownership entity result in no ad valorem real estate taxes which significant increases the value of the asset.

The use of these hypothetical conditions might have affected assignment results.

Compiled by NKF



Introduction

Ownership History

The current owner is Avalon Carson, LLC. The following summarizes a three-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History

To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.

Listing Status:	Not Listed For Sale		
In-Contract:	October 29, 2020		
Buyer:	Standard Property Company, Inc.		
Seller:	Avalon Carson, LLC		
Purchase Price:	\$66,000,000	\$440,000	Per Unit

Previous Sales

Sales in the Previous Three Years:	None		
Most Recent Reported Sale:	July 15, 2016		
Buyer:	Avalon Carson, LLC		
Seller:	Carson City Center South, LLC		
Purchase Price:	\$55,000,000	\$366,667	Per Unit

Compiled by NKF

Standard Property Company, Inc. is in contract to acquire this property from Avalon Carson, LLC for a total consideration of \$66,000,000 or \$440,000 per unit. The purchase agreement is dated October 29th, 2020.

The contract price is considered a market value and has been given strong emphasis in our As Is conclusion.

To the best of our knowledge, no other sale or transfer of ownership has taken place within a three-year period prior to the effective date of the appraisal.

Intended Use and User

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.



- The intended use of the appraisal is for solely for financing purposes and no other use is permitted.
- The client is California Statewide Communities Development Agency, C/O Standard Communities.
- The intended user is California Statewide Communities Development Agency, c/o Standard Communities and no other user is permitted by any other party for any other purpose.

Definition of Value

Market value is defined as:

“The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also, Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Interest Appraised

The appraisal is of the Leased Fee interest.¹

- ◆ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

¹ The Dictionary of Real Estate, 6th Edition, Appraisal Institute



Appraisal Report

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the As Is and Hypothetical Market Value with Restricted Rents of the Leased Fee interest in the subject property.

Purpose of the Appraisal		
Appraisal Premise	Interest Appraised	Date of Value
Market Value "As Is"	Leased Fee	10/28/2020
Hypothetical Market Value with Restricted Rents	Leased Fee	10/28/2020

Compiled by NKF

Scope of Work

Extent to Which the Property is Identified

- ☒ Physical characteristics
- ☒ Legal characteristics
- ☒ Economic characteristics

Extent to Which the Property is Inspected

NKF inspected the subject property on October 28, 2020 as per the defined scope of work. Geoff Papp and Berick Treidler made a personal inspection of the property that is the subject of this report. Robert Holman Jr. and Brian Hegarty, MAI have not personally inspected the subject.

Type and Extent of the Data Researched

- ☒ Exposure and marking time;
- ☒ Neighborhood and land use trends;
- ☒ Demographic trends;
- ☒ Market trends relative to the subject property type;
- ☒ Physical characteristics of the site and applicable improvements;
- ☒ Flood zone status;
- ☒ Zoning requirements and compliance;
- ☒ Real estate tax data;
- ☒ Relevant applicable comparable data; and
- ☒ Investment rates

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and

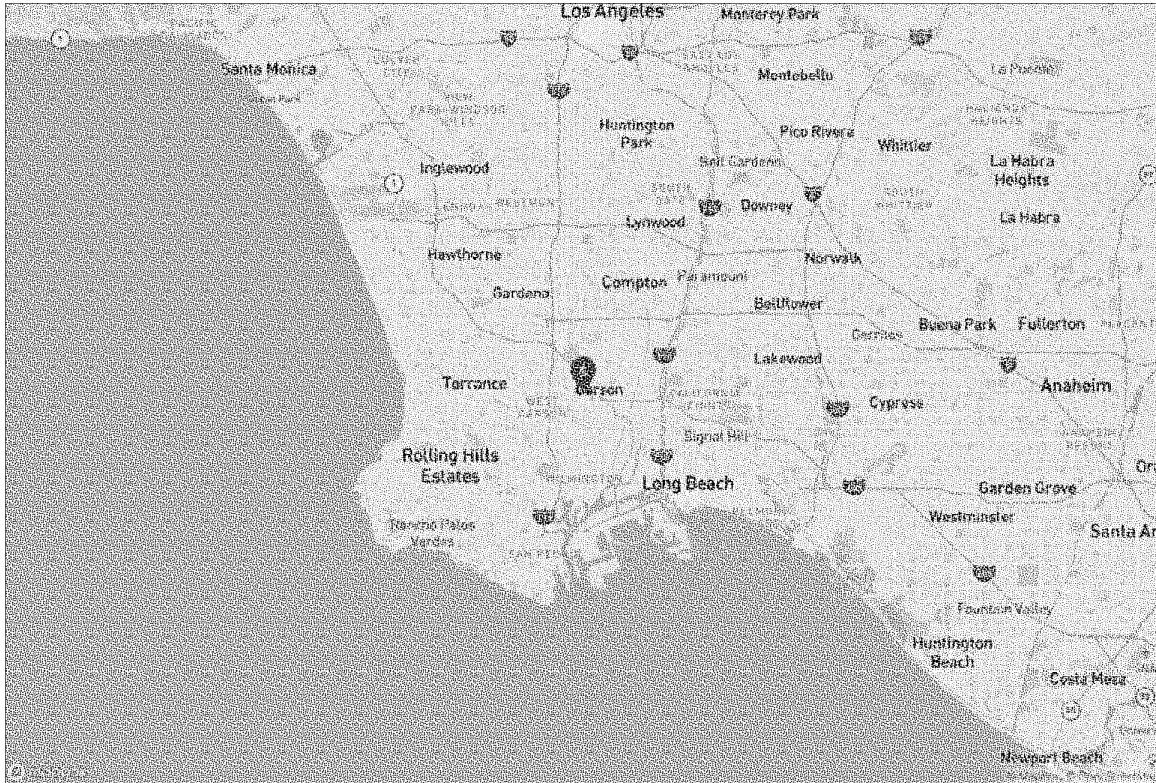


relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.



Economic Analysis

Area Analysis



Area Map

The subject is located within Carson and Los Angeles County, California. It is part of the Los Angeles-Long Beach-Glendale metro area (Los Angeles MSA).



Moody's Analytics' Economy.com provides the following economic summary for the Los Angeles MSA as of August, 2020.

Moody's Analytics Précis® Metro Indicators: Los Angeles												
2014	2015	2016	2017	2018	2019	INDICATORS	2020	2021	2022	2023	2024	2025
633.7	663.3	679.5	703.7	728.5	741.8	Gross metro product (C12\$ bil)	699.9	716.7	756.1	787.6	808.1	822.3
3.2	4.7	2.4	3.6	3.5	1.8	% change	-5.7	2.4	5.5	4.2	2.6	1.8
4,194.3	4,287.5	4,397.5	4,451.2	4,518.3	4,569.6	Total employment (ths)	4,239.6	4,240.2	4,395.7	4,543.1	4,607.2	4,625.2
1.9	2.2	2.6	1.2	1.5	1.1	% change	-7.2	0.0	3.7	3.4	1.4	0.4
8.3	6.6	5.3	4.8	4.6	4.4	Unemployment rate (%)	13.7	12.6	8.8	6.1	5.7	5.8
6.8	6.7	3.2	3.4	5.2	5.0	Personal income growth (%)	5.1	-2.8	5.6	6.1	5.3	4.5
57.5	59.5	62.4	65.1	68.1	70.6	Median household income (\$ ths)	72.4	71.3	74.4	77.7	80.7	83.4
10,040.1	10,085.4	10,105.7	10,103.7	10,073.9	10,039.1	Population (ths)	10,047.3	10,076.8	10,108.9	10,142.2	10,175.4	10,208.1
0.5	0.5	0.2	0.0	-0.3	-0.3	% change	0.1	0.3	0.3	0.3	0.3	0.3
-23.1	-22.2	-40.2	-59.3	-77.4	-79.7	Net migration (ths)	-41.6	-24.3	-22.1	-20.7	-20.7	-20.8
4,586	4,638	5,022	5,683	5,957	5,884	Single-family permits (#)	5,407	7,211	9,961	10,449	10,502	10,033
13,073	18,625	15,569	15,891	16,052	15,681	Multifamily permits (#)	13,017	16,294	19,034	19,352	19,702	19,112
273	292	312	337	363	376	FHFA house price (1995Q1=100)	386	391	399	417	448	485

Source: Moody's Analytics Précis® US Metro

Moody's summarizes the area's economic performance in recent months as follows:

Recent Performance

The COVID-19 pandemic brought an abrupt end to Los Angeles MSA's expansion. The biggest job losses were in leisure/hospitality, but no industry was spared. At 17.5%, the unemployment rate was among the highest in the country in July. The jobless rate is coming down, though slowly compared to the U.S. rate. Stubbornly high virus infection rates are hindering the recovery.

Market Comparison

The following table illustrates key economic indicators and a comparison of the Los Angeles MSA to the regional grouping as a whole. As indicated, Los Angeles is projected to outperform the National Region Metros in four of eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - Los Angeles Metro to West Region											
Indicator	Los Angeles			Annual Growth		West Region Metros			Annual Growth		
	2015	2020	2025	2015 - 2020	2020 - 2025	2015	2020	2025	2015 - 2020	2020 - 2025	
Gross metro product (C12\$ bil)	663.3	699.9	822.3	1.1%	3.3%	4,301	4,656	5,555	1.6%	3.6%	
Total employment (ths)	4,287.5	4,239.6	4,625.2	-0.2%	1.8%	32,023	32,695	35,889	0.4%	1.9%	
Unemployment rate (%)	6.6%	13.7%	5.8%			5.7%	9.6%	5.4%			
Personal income growth (%)	6.7%	5.1%	4.5%			6.7%	3.2%	4.6%			
Population (ths)	10,085.4	10,047.3	10,208.1	-0.1%	0.3%	75,743	78,941	81,857	0.8%	0.7%	
Single-family permits (#)	4,638	5,407	10,033	3.1%	13.2%	168,707	198,727	337,068	4.3%	11.1%	
Multifamily permits (#)	18,625	13,017	19,112	-6.9%	8.0%	116,528	127,711	148,592	1.8%	3.1%	
FHFA house price (1995Q1=100)	292	386	485	5.8%	4.7%	452	613	712	6.3%	3.0%	

Source: Moody's Analytics Précis® US Metro; Compiled by NRI

Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial



real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

Current Employment by Occupation Sector										
Occupation Sector	90745		Carson City		Los Angeles County		Los Angeles-Long Beach-Anaheim, CA MSA		California	
	White Collar	14,514	56.7%	24,240	59.8%	2,729,058	61.8%	3,694,630	63.1%	10,446,141
Administrative Support	4,345	17.0%	6,968	17.2%	603,079	13.7%	787,631	13.5%	2,127,719	12.7%
Management/Business/Financial	2,576	10.1%	4,856	12.0%	659,483	14.9%	933,605	15.9%	2,665,801	15.9%
Professional	5,273	20.6%	8,699	21.5%	1,018,064	23.1%	1,357,990	23.2%	3,986,254	23.8%
Sales and Sales Related	2,320	9.1%	3,717	9.2%	448,432	10.2%	615,404	10.5%	1,666,367	9.9%
Services	4,512	17.6%	6,786	16.7%	775,201	17.6%	1,005,193	17.2%	2,880,284	17.2%
Blue Collar	6,587	25.7%	9,522	23.5%	909,647	20.6%	1,154,165	19.7%	3,443,509	20.5%
Construction/Extraction	1,327	5.2%	1,829	4.5%	235,778	5.3%	299,540	5.1%	878,681	5.2%
Farming/Fishing/Forestry	142	0.6%	249	0.6%	18,415	0.4%	24,577	0.4%	340,082	2.0%
Installation/Maintenance/Repair	680	2.7%	1,021	2.5%	107,829	2.4%	140,263	2.4%	442,516	2.6%
Production	2,400	9.4%	3,140	7.7%	259,335	5.9%	340,770	5.8%	810,952	4.8%
Transportation/Material Moving	2,038	8.0%	3,283	8.1%	288,290	6.5%	349,015	6.0%	971,278	5.8%
Total Employees (16+ Occupation Base)	25,613	100.0%	40,548	100.0%	4,413,906	100.0%	5,853,988	100.0%	16,769,934	100.0%

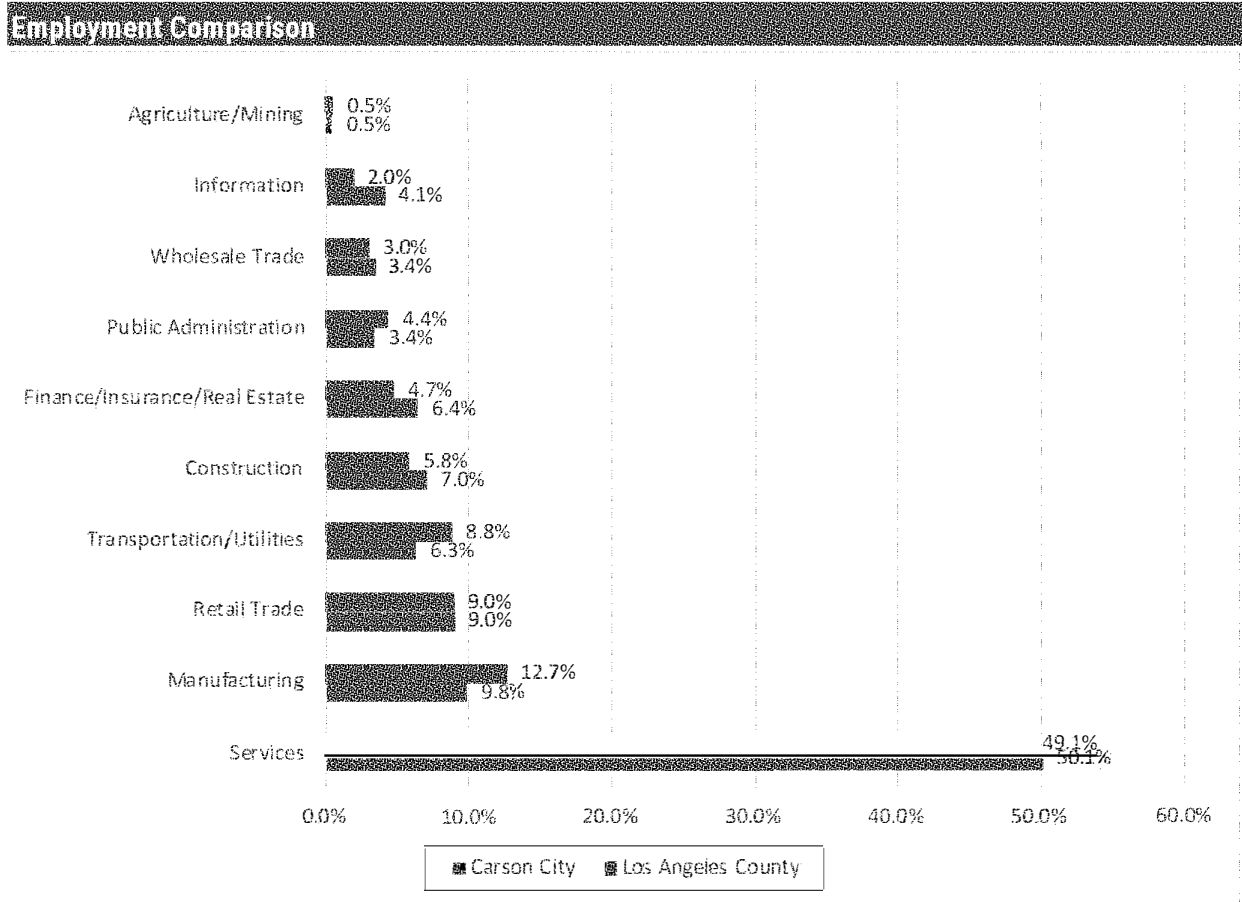
Source: ESRI; Compiled by NKF

Current Employment by Industry Sector										
Industry Sector	90745		Carson City		Los Angeles County		Los Angeles-Long Beach-Anaheim, CA MSA		California	
	Agriculture/Mining	90	0.4%	209	0.5%	21,341	0.5%	28,690	0.5%	394,371
Construction	1,689	6.6%	2,353	5.8%	308,026	7.0%	406,583	6.9%	1,230,684	7.3%
Manufacturing	3,631	14.2%	5,149	12.7%	434,536	9.8%	617,239	10.5%	1,575,513	9.4%
Wholesale Trade	922	3.6%	1,228	3.0%	150,503	3.4%	201,839	3.4%	488,208	2.9%
Retail Trade	2,363	9.2%	3,643	9.0%	396,764	9.0%	528,665	9.0%	1,538,102	9.2%
Transportation/Utilities	1,999	7.8%	3,558	8.8%	276,612	6.3%	330,413	5.6%	915,176	5.5%
Information	451	1.8%	792	2.0%	182,169	4.1%	210,038	3.6%	452,705	2.7%
Finance/Insurance/Real Estate	1,088	4.2%	1,919	4.7%	282,690	6.4%	412,084	7.0%	1,071,799	6.4%
Services	12,655	49.4%	19,929	49.1%	2,212,738	50.1%	2,928,051	50.0%	8,322,684	49.6%
Public Administration	725	2.8%	1,769	4.4%	148,527	3.4%	190,386	3.3%	780,692	4.7%
Total Employees (16+ Occupation Base)	25,613	100.0%	40,548	100.0%	4,413,906	100.0%	5,853,988	100.0%	16,769,934	100.0%

Source: ESRI; Compiled by NKF

Comparing the industry sectors for the local market area (Carson City) to Los Angeles County indicates the local market area is somewhat more heavily weighted toward the Manufacturing, Transportation/Utilities, Public Administration, and Agriculture/Mining sectors. By contrast, the industry employment totals for Los Angeles County indicate somewhat higher proportions within the Information, Finance/Insurance/Real Estate, Construction, Services, Wholesale Trade, and Retail Trade sectors. The following graphic further illustrates this comparison.

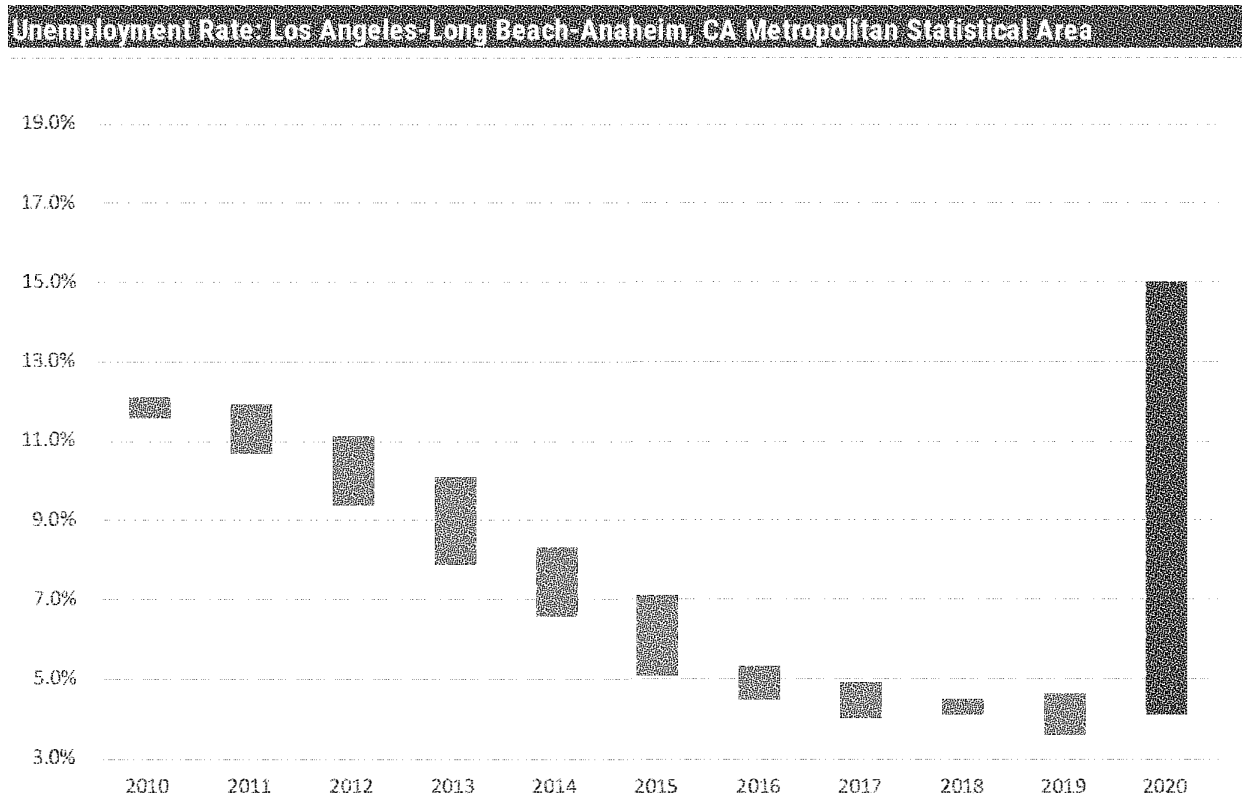




Source: ESRI, Compiled by NKF



The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics.



Bars represent beginning to end range of unemployment rates in each year

Red bars denote increasing unemployment from beginning to end of year

Green bars are declining unemployment from beginning to end of year

Compiled by NKF



Major Employers

The following table lists a number of major employers with the Los Angeles MSA as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: Los Angeles		
Rank	Employer	Employees
1	Cedars-Sinai Medical Center	10,000+
2	Los Angeles Intl Airport-LAX	10,000+
3	University of California Los Angeles	10,000+
4	VXI Global Solutions	10,000+
5	The Walt Disney Co.	5,000-9,999
6	Northrop Grumman Corp.	5,000-9,999
7	Kaiser Permanente	5,000-9,999
8	JET Propulsion Laboratory	5,000-9,999
9	AHMC Healthcare Inc.	5,000-9,999
10	Longshore Dispatch	5,000-9,999
11	National Institute of Health	5,000-9,999
12	Los Angeles Medical Center	5,000-9,999
13	Six Flags Theme Parks Inc.	5,000-9,999
14	Sony Pictures Entertainment	5,000-9,999
15	Space Exploration Technologies	5,000-9,999
16	Glendale Adventist Medical Center	2,610
17	DreamWorks Animation	1,868
18	Glendale Community College	1,619
19	Dignity Health	1,075
20	Commerce Casino-Crowne Plaza	1,000-4,999

Source: Moody's Analytics Précis® US Metro

Further economic analysis from Moody's is detailed as follows:

Eye Of The Storm

Seaports such as the Ports of Los Angeles and Long Beach were already battered by the trade war going into the pandemic and face rough seas ahead. Year-to-date cargo volumes finally rose slightly in July but were down compared with 2019. The July uptick was driven by imports; exports remained especially weak. Both supply and demand of goods have taken a hit due to the pandemic. Factories closed temporarily, and the recession made consumers hesitant to make major purchases. The reopening of the economy enabled some plants to reopen and fiscal stimulus provided a boost, releasing pent-up demand. Yet trade will take time to normalize because of the lingering uncertainty and disruptions to supply chains. Demand will recover alongside the U.S. labor market, which still has a way to go. The potential for subsequent waves



of shutdowns, both in the U.S. and overseas, injects considerable uncertainty into the outlook and will likely give businesses pause in ramping up operations. This will weigh on shipping through year's end at least.

Recovery

Los Angeles is edging forward, but the strength of the recovery depends on the pace of reopening and when a vaccine or treatment is made available, and risks abound. California was one of the earliest COVID-19 hot spots, but containment measures proved effective until the reopening began, and cases surged during the summer. Los Angeles, like much of the state, is now reversing: Governor Gavin Newsom has established a new plan with four tiers to determine which businesses are open. Los Angeles has been placed in the lowest tier and the closure of most nonessential indoor business operations will slow the nascent recovery. The temperate climate will allow many establishments to adapt and forge ahead by moving activities outdoors at reduced capacity. Heading outside is no panacea, however: Seated restaurant diners reported by OpenTable remain way down from precrisis levels.

Housing

Housing will be a key player in the recovery. The pandemic interrupted a period of rising home sales, which was spurred by falling interest rates in 2019. Sales took a nosedive earlier this year but are in the midst of an impressive rebound. Interest rates have fallen again to historic lows and that will boost home sales through year's end. Housing starts barely stumbled during the shutdown and are also rebounding. The inventory of unsold properties in Los Angeles and the rental vacancy rate remain low and this will motivate builders. For example, Koreatown-based developer Jamison is powering ahead with thousands of units slated for completion this year.

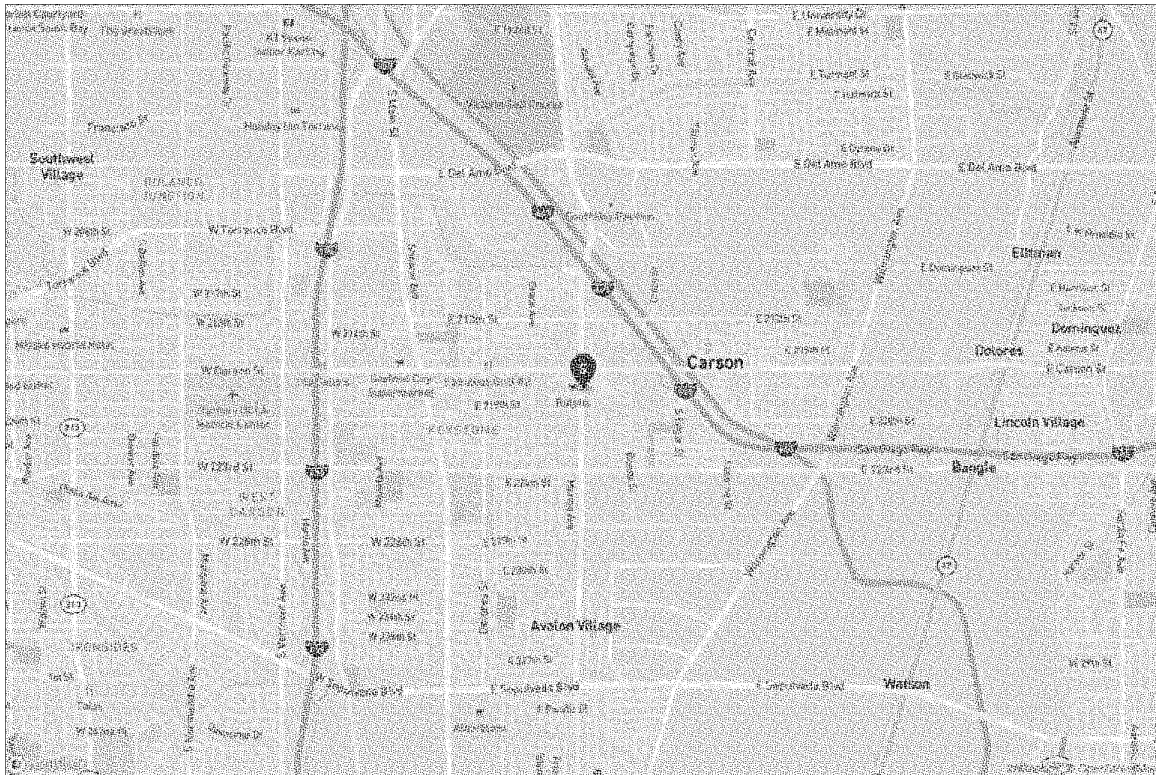
Conclusion

Positive Attributes	Negative Attributes
<ul style="list-style-type: none"> » A strong healthcare base and a growing tech presence provide well-paying jobs. » Global links through entertainment, tourism and fashion. » Deep San Pedro Harbor enables LOS to handle megaships that other ports cannot. 	<ul style="list-style-type: none"> » High costs hinder net migration gains. » Prone to disasters, including drought, wildfires and earthquakes.

The near-term outlook for Los Angeles MSA is dicey as the pandemic is still wreaking havoc on the economy. Los Angeles will regain its footing as the spread of the virus is brought under control, but a fresh wave of business closures will slow the near-term recovery. Los Angeles's ports will be more potent assets once global trade gains momentum. Longer term, high costs and the resumption of out-migration will relegate Los Angeles to just average growth.



Neighborhood Analysis



Surrounding Area Map

Area Boundaries

The boundaries of the area are:

North	405 Freeway
South	East Sepulveda Boulevard
East	405 Freeway
West	110 Freeway



Land Use and Neighborhood Cycle

The development cycle for the area is generally stable and the existing infrastructure is consistent with the surrounding area. The following map illustrates the land uses around the subject: Shades of yellow and tan are residential use, yellow and red stripes is mixed use, pink and red is commercial use, blue is manufacturing, grey is special use, green is open space, and light green is agricultural use.

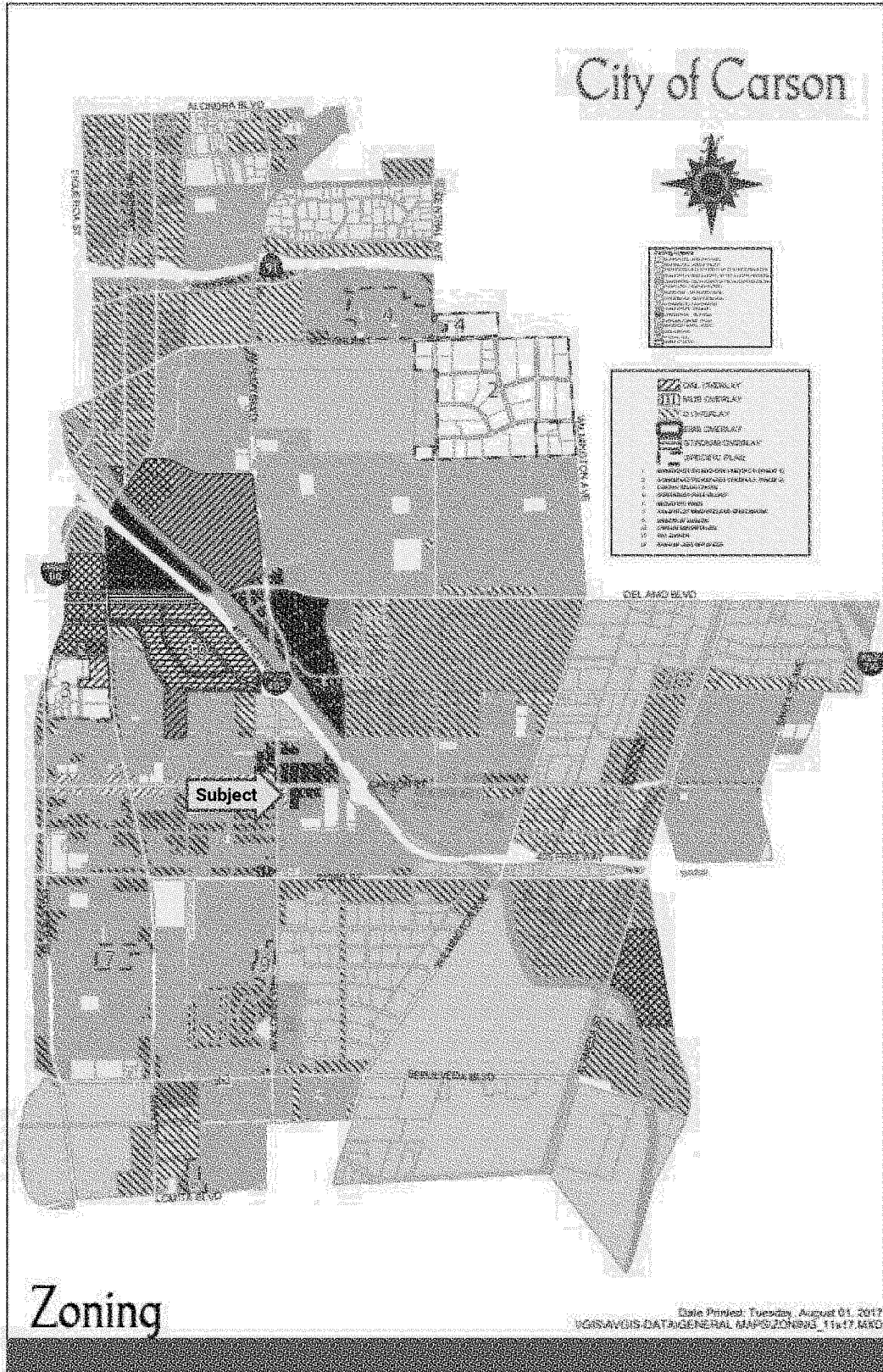


Neighborhood Oversight/Government

The location and governmental oversight, including boundary maps, which influence the subject are:

Neighborhood	
Area	Name
County	Los Angeles
Incorporated City	Carson





City Zoning Map



Access and Linkages

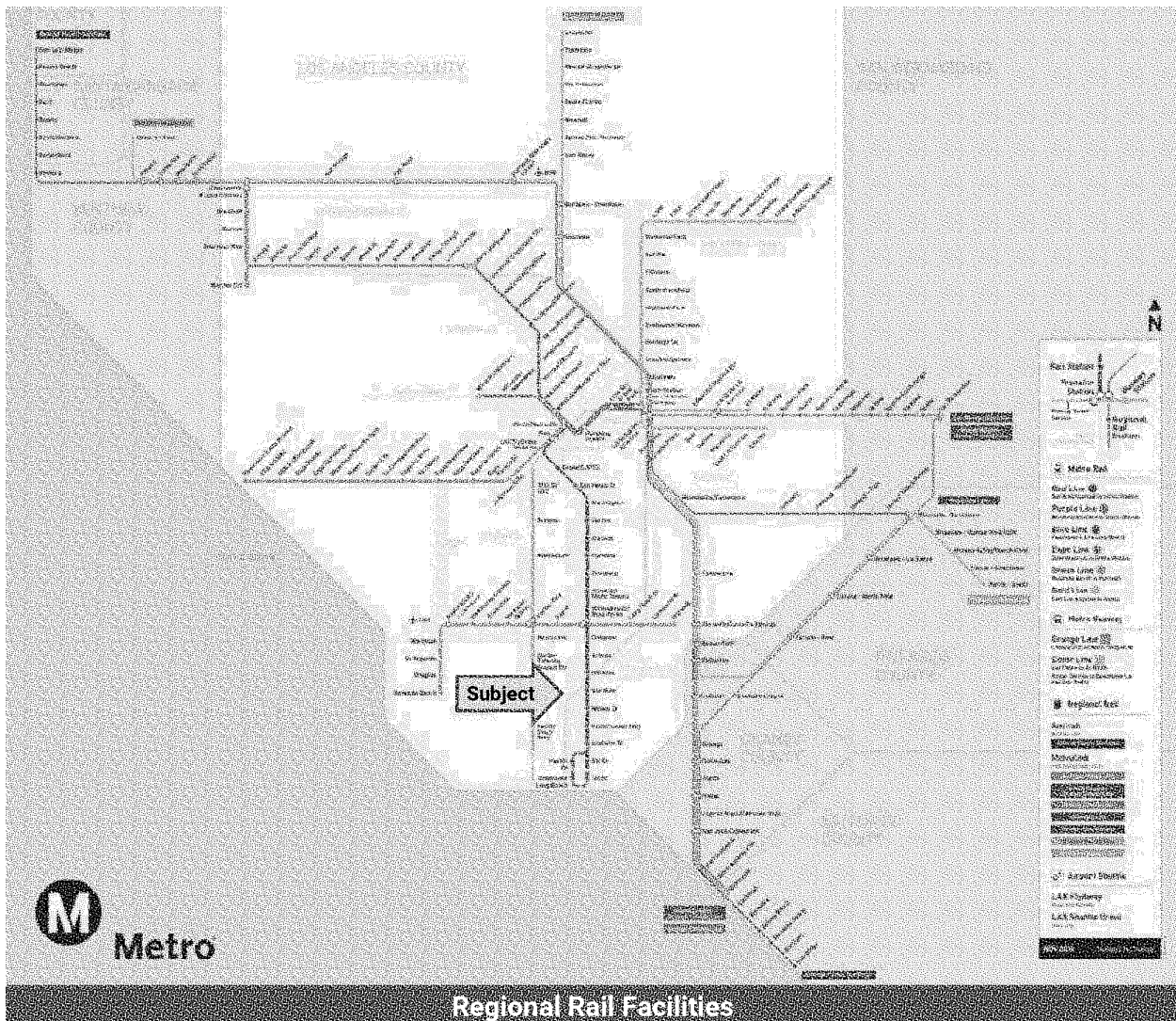
Primary Access

Regional freeways are shown in the following map.

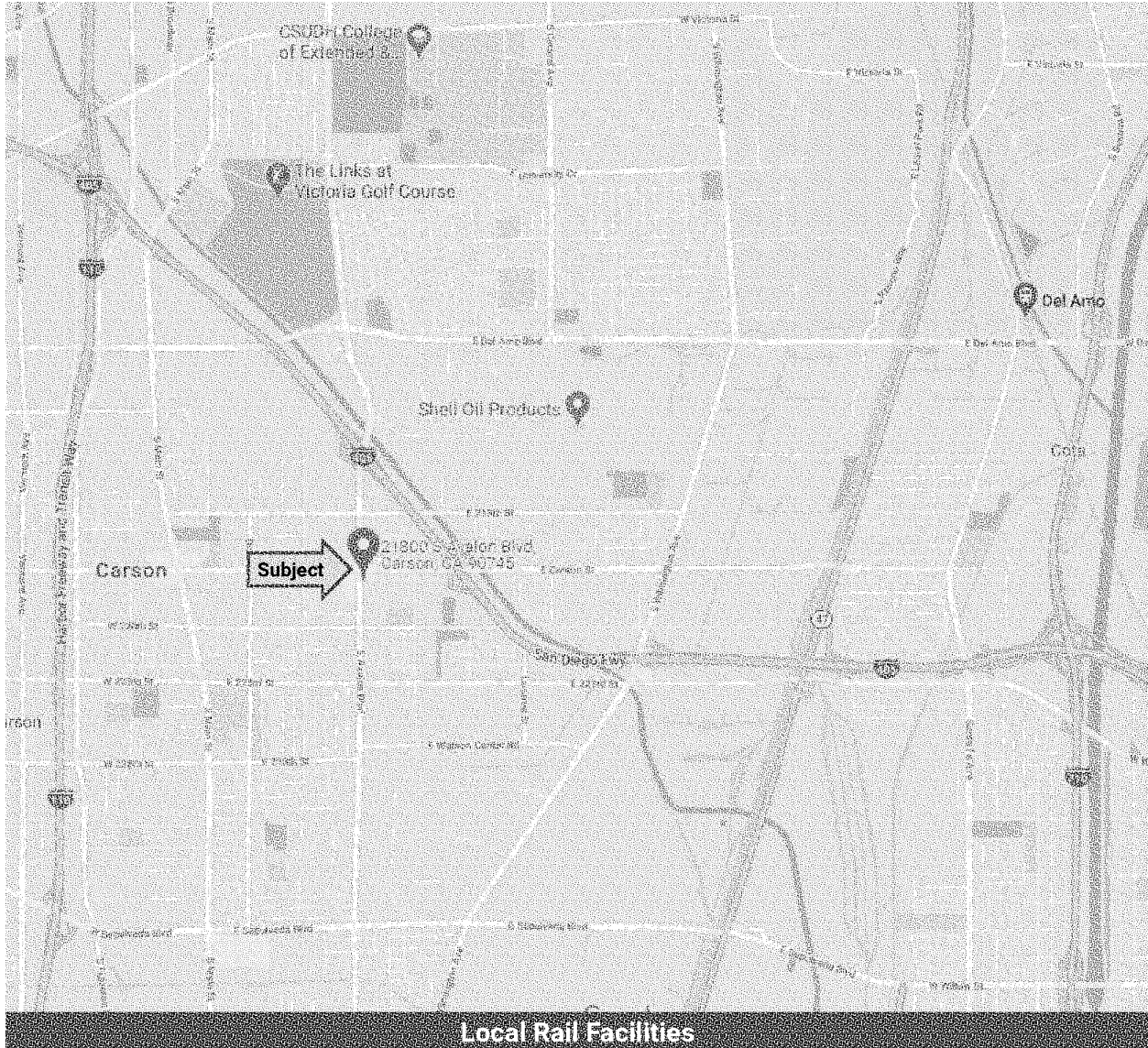


Transportation

Existing rail lines are shown in the following exhibits.



The closest local rail facility is the Del Amo Station which is approximately two miles northeast from the subject property, as shown in the following local facilities exhibit.



Land Use

The following was developed from Costar data for the major property types in the surrounding 1.25-mile radius around the subject.



Source: Costar, Compiled by NKF



Within the immediate area of the subject, property uses include the following:

Immediate Vicinity

Land uses in the immediate vicinity of the subject include:

North

- Multi-family Residential/Retail

East

- Mobile Home Park

South

- Commercial/Single-family Residential

West

- Commercial

Demographics

A demographic summary for the defined area is illustrated as follows:

Demographic Analysis								
	1-Mile Radius	3-Miles Radius	5-Miles Radius	90745	Carson City	Los Angeles County	Los Angeles-Long Beach-Anaheim, CA MSA	California
POPULATION								
2010 Total Population	24,840	171,970	506,681	57,216	91,714	9,818,605	12,828,837	37,253,956
2020 Total Population	25,929	177,446	520,203	58,785	93,587	10,173,432	13,403,861	39,648,525
2025 Total Population	28,010	180,526	524,643	61,077	95,826	10,311,054	13,630,573	40,742,448
Projected Annual Growth %	1.6%	0.3%	0.2%	0.8%	0.5%	0.3%	0.3%	0.5%
HOUSEHOLDS								
2010 Total Households	6,760	49,688	156,167	15,197	25,432	3,241,204	4,233,985	12,577,498
2020 Total Households	7,061	50,969	158,916	15,573	25,825	3,338,199	4,393,106	13,300,367
2025 Total Households	7,667	51,681	159,495	16,211	26,400	3,377,828	4,459,206	13,638,985
Projected Annual Growth %	1.7%	0.3%	0.1%	0.8%	0.4%	0.2%	0.3%	0.5%
INCOME								
2020 Median Household Income	\$79,078	\$76,377	\$67,724	\$82,172	\$84,979	\$69,795	\$75,444	\$77,500
2020 Average Household Income	\$95,979	\$92,882	\$88,800	\$98,081	\$100,725	\$101,935	\$107,748	\$110,857
2020 Per Capita Income	\$26,148	\$26,729	\$27,175	\$26,002	\$27,819	\$33,527	\$35,383	\$37,302
HOUSING								
2020 Owner Occupied Housing Units	65.1%	60.4%	49.1%	66.4%	71.6%	42.1%	44.9%	50.9%
2020 Renter Occupied Housing Units	30.9%	35.4%	45.7%	30.0%	24.9%	51.4%	48.9%	41.5%
2020 Median Home Value	\$488,958	\$492,092	\$521,691	\$485,483	\$485,697	\$635,043	\$655,662	\$566,060
Median Year Structure Built	1966	1965	1962	1965	1965	1963	1967	1974
EDUCATION								
2020 Bachelor's Degree	24.8%	20.0%	19.1%	22.9%	20.3%	21.7%	22.9%	21.5%
2020 Grad/Professional Degree	5.6%	7.1%	8.0%	4.9%	7.8%	11.9%	12.7%	13.2%
2020 College Graduate %	30.4%	27.2%	27.0%	27.9%	28.1%	33.6%	35.6%	34.7%
2020 Average Household Size	3.65	3.43	3.23	3.74	3.57	2.99	3.00	2.92
2020 Median Age	39.9	37.3	35.8	38.3	38.8	36.0	36.3	36.4

Source: ESRI, Compiled by NLF



Amenities

Retail tenants are shown in the following Land Vision aerial map.



National and regional retail tenants are distributed throughout the area and the infrastructure supports resident and day-time demand from businesses.



Demand Generators

Major employers include:

Employer	Number of Employees
Tesoro Refining & Marketing Company LLC	1,164
Marathon Refining Logistics Services	1,124
Lakeshore Learning	485
See's Candy Shops Inc.	442
Prime Wheel Corporation	433
Select Staffing	391
Mag Aerospace Industries	384
Los Angeles Chargers	375
Huck International Inc.	362
Yusen Logistics America Inc.	359

Source: City of Carson; State of California Employment Development Department

Residential Housing

Home sales from Land Vision are presented in the following tables and the heat maps show the location of these transactions.

Home Prices: 1,000-2,999 SF					
Address	Date of Transfer	Sales Price	Building SF	Land SF	Year Built
1122 E RENTON ST	9/8/2020	\$450,000	1,014	3,590	1955
166 E 214TH ST	8/10/2020	\$485,000	1,150	2,696	1954
732 E 222ND ST	10/13/2020	\$542,000	1,039	5,333	1957
21811 NEPTUNE AVE	10/1/2020	\$545,000	1,138	6,662	1951
1013 E RENTON ST	8/12/2020	\$550,000	1,254	5,101	1955
438 E DOUBLE ST	8/21/2020	\$640,000	1,076	5,066	1953
314 E DESFORD ST	7/31/2020	\$672,000	1,518	4,924	1962
22003 HANSOM AVE	8/28/2020	\$712,000	1,676	4,650	1971
336 PALM CT	9/10/2020	\$740,000	2,679	3,996	1990
22016 GULF AVE	10/14/2020	\$785,000	1,440	5,985	1955
21410 ORRICK AVE	9/14/2020	\$880,000	2,169	10,215	1980

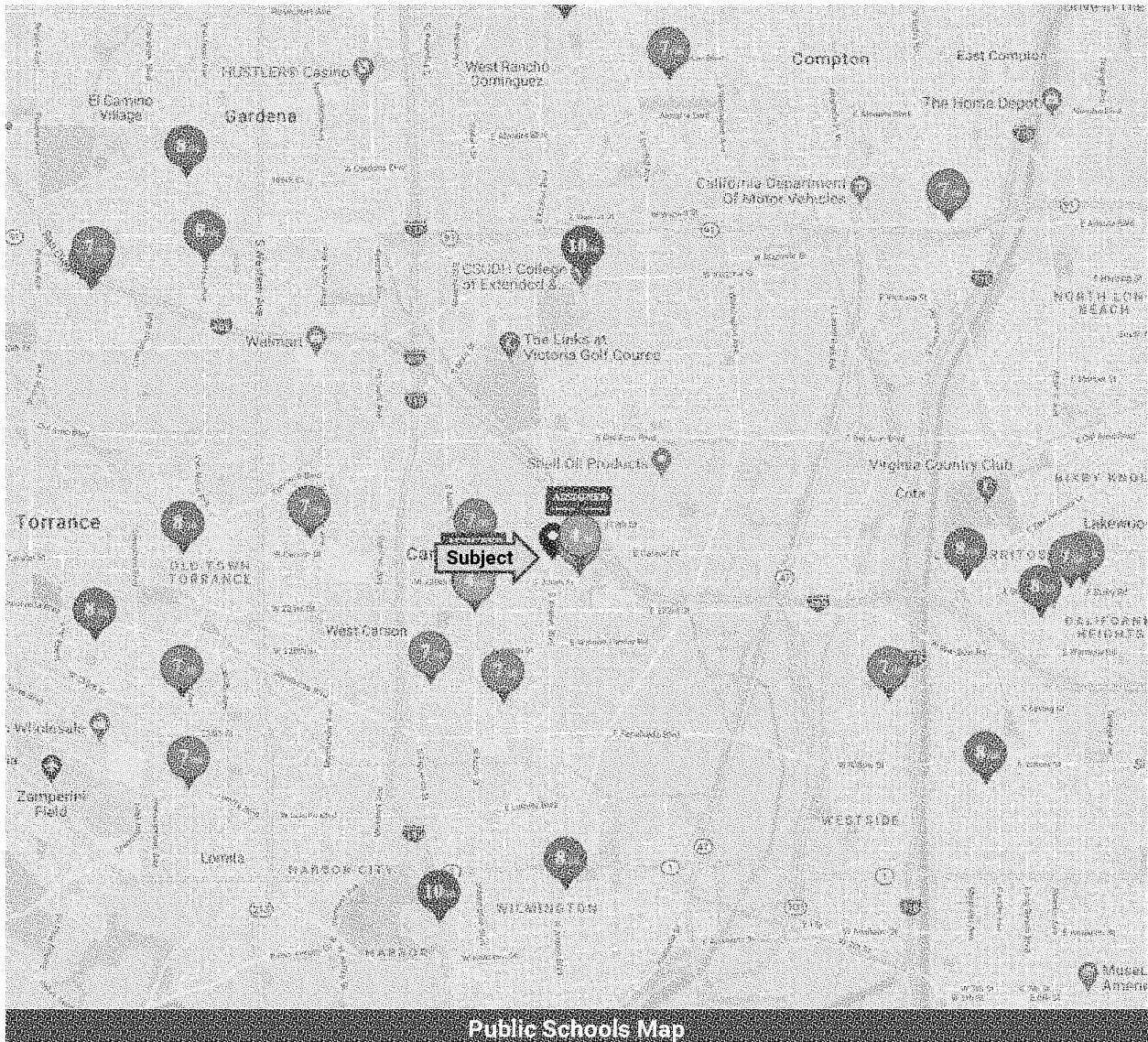
Subject: 21800 Avalon Blvd., Carson

Source: LandVision





Scores for public elementary, middle and high schools from Great Schools.org are presented in the following exhibit.

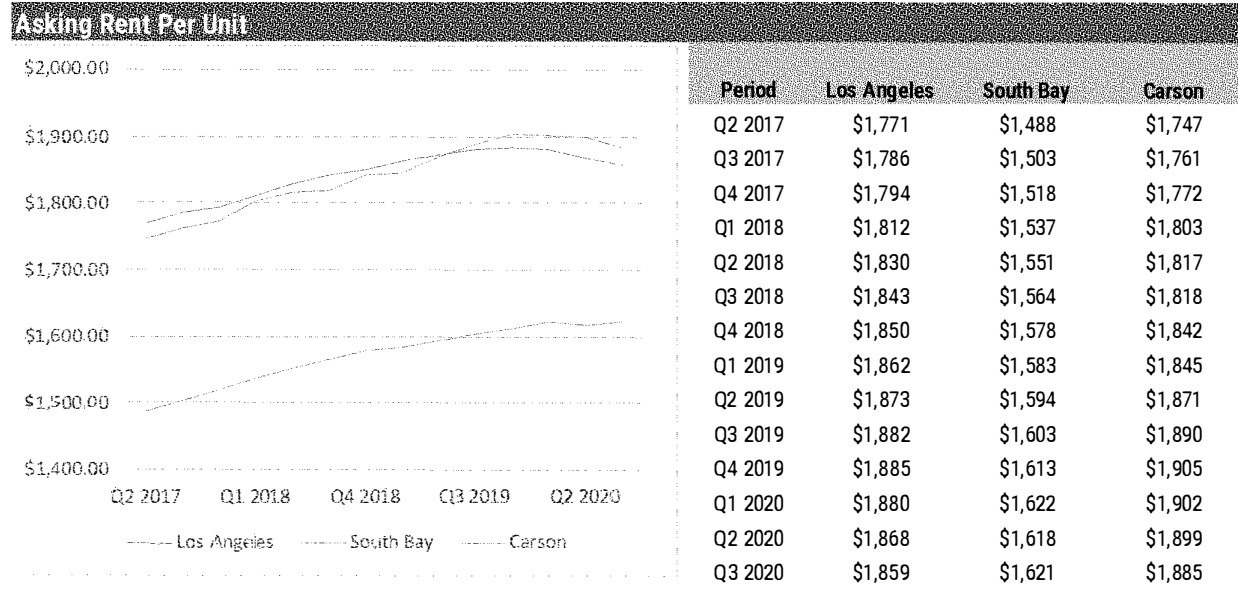


The subject's assigned schools are below average for the City of Carson.

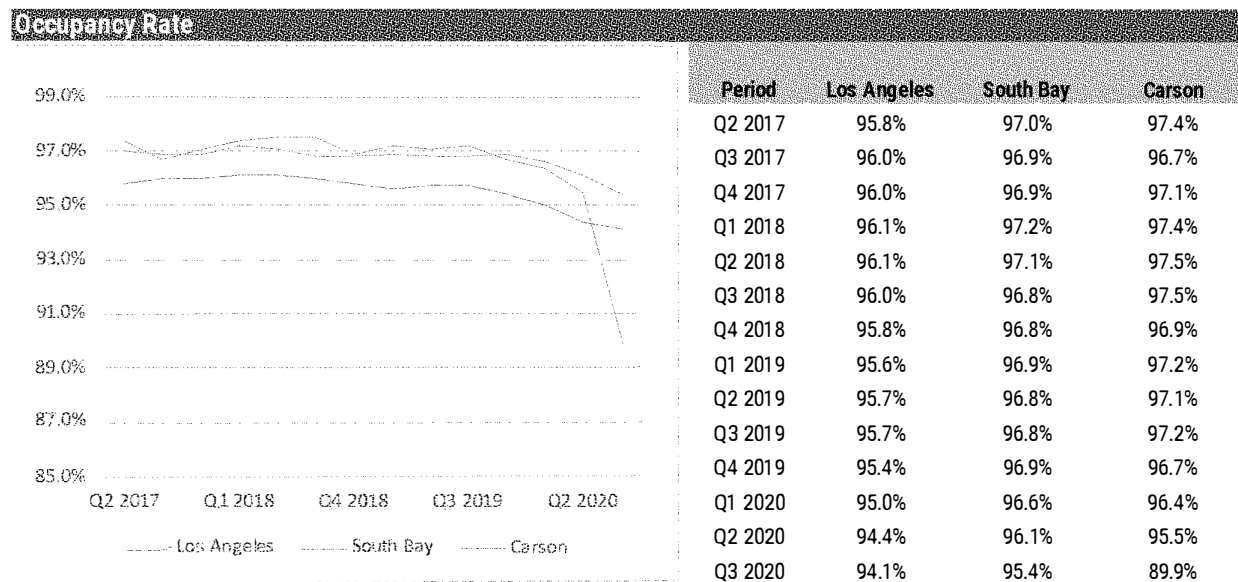


Multifamily Market Analysis

The following discussion outlines overall market performance in the surrounding Multifamily market. Presented first are market statistics of the Los Angeles area and the subject South Bay submarket overall along with more closely focused statistics related specifically to the subject property and its market segment. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.



Source: Costar; Compiled by NKF Valuation & Advisory



Source: Costar; Compiled by NKF Valuation & Advisory



- ❖ The significant occupancy drop in Carson is because several large scale new developments entered the market and are in the initial lease-up state. This is an anomaly and upon absorption, the market should recover to a 95% or higher occupancy figure.

Multifamily Market Statistics						
Trailing Four Quarters Ended Q3 2020						
Market / Submarket	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent Per Unit	Effective Rent Per Unit
Los Angeles	1,141,934	12,410	5.90%	-7,093	\$1,859	\$1,838
South Bay	56,589	457	4.60%	-337	\$1,621	\$1,612
Carson	5,335	453	10.10%	50	\$1,885	\$1,862

Source: Costar, Compiled by NKF Valuation & Advisory

- ❖ The average occupancy rate for the subject submarket is lower than the overall market area.
- ❖ The average rental rate for the Carson submarket is similar to the overall Los Angeles market.
- ❖ The regional and local statistics indicate the market is being impacted by Covid-19 as the vacancy rate increased, with no significant change in the rental rate. However, this likely understates the impact as vacancy as the restrictions on evictions is lowering the vacancy rate.
- ❖ The vacancy rate in Carson is because several large scale new developments entered the market and are in the initial lease-up state. This is an anomaly and upon absorption, the market should recover to a 95% or higher occupancy figure.

Market and Submarket Trends

	Los Angeles				South Bay			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q3 2018	1,119,340	4,016	4.0%	\$1,843	56,132	590	3.2%	\$1,564
Q4 2018	1,122,488	3,157	4.2%	\$1,850	56,132	0	3.2%	\$1,578
Q1 2019	1,126,071	3,616	4.4%	\$1,862	56,132	0	3.1%	\$1,583
Q2 2019	1,127,659	1,711	4.3%	\$1,873	56,132	0	3.2%	\$1,594
Q3 2019	1,129,928	2,291	4.3%	\$1,882	56,132	0	3.2%	\$1,603
Q4 2019	1,133,361	3,544	4.6%	\$1,885	56,183	51	3.1%	\$1,613
Q1 2020	1,135,979	2,641	5.0%	\$1,880	56,183	0	3.4%	\$1,622
Q2 2020	1,139,280	3,529	5.6%	\$1,868	56,228	45	3.9%	\$1,618
Q3 2020	1,141,934	2,696	5.9%	\$1,859	56,589	361	4.6%	\$1,621

* Forecast

Source: Costar, Compiled by NKF Valuation & Advisory



- ❏ The overall market area and submarket have been declining with respect to occupancy over the past year. Over the past several years, effective rental rates have been following an increasing trend.

Supply & Demand

Supply Additions

The chart below shows the new developments expected in the submarket at this time:

Multifamily Market Trends								
	Los Angeles				South Bay			
	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit	Inventory (Unit)	Completions (Unit)	Vacancy %	Asking Rent Per Unit
Q3 2018	1,119,340	4,016	4.0%	\$1,843	56,132	590	3.2%	\$1,564
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* Forecast

Source: Costar; Compiled by NKF Valuation & Advisory

Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio	Units Built	Units Absorbed	Const. / Abs. Ratio
Los Angeles	11,162	5,501	2.0	30,363	22,702	1.3	50,674	38,998	1.3
South Bay	51	93	0.5	776	764	1.0	1,549	1,484	1.0
Carson	51	38	1.3	129	28	4.6	397	320	1.2

Source: Costar; Compiled by NKF Valuation & Advisory



Trends and Projections

Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Los Angeles	5.90%	4.60%	4.00%	3.90%	4.80%
South Bay	4.60%	3.10%	3.10%	2.70%	3.70%
Carson	10.10%	3.30%	2.90%	3.10%	3.60%

Source: Costar, NKF Valuation & Advisory

Occupancy Conclusions	
Costar	
Los Angeles	94.10%
South Bay	95.40%
Carson	89.90%

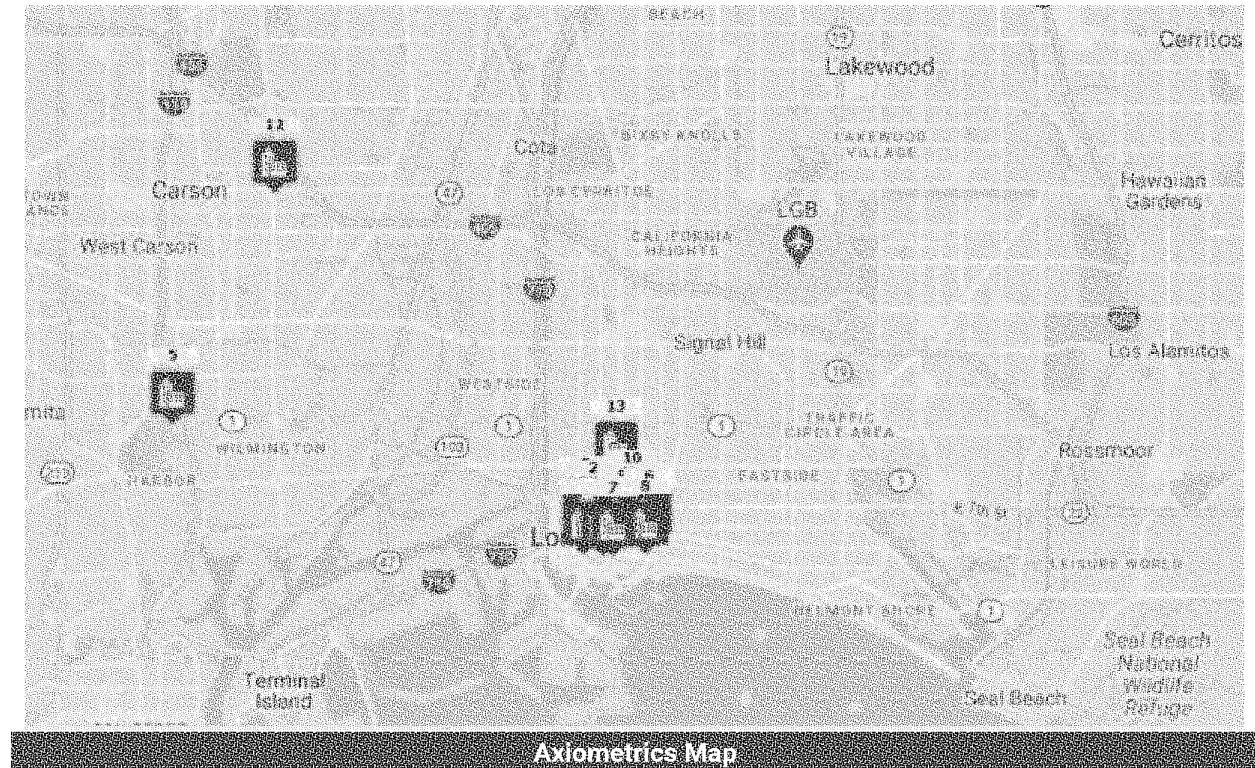
Source: Costar, NKF Valuation & Advisory

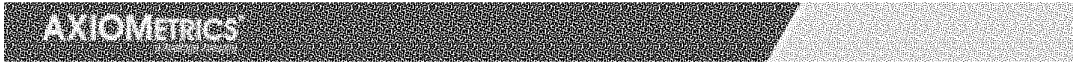
☞ The significant occupancy drop in Carson is because several large scale new developments entered the market and are in the initial lease-up state. This is an anomaly and upon absorption, the market should recover to a 95% or higher occupancy figure as shown in the REIS/Moody’s forecast later in this section.



Comparable Absorption Rates

The following data is an analysis of trends in 2010 and newer apartments in the Long Beach market (this is the location classification for the subject from this data source). The subject is No. 12 in the map.





Property Time Series

[1] 442 Residences, 442 W Ocean Blvd, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent						\$2,653	\$2,710	\$2,726	\$2,712	\$2,690	\$2,884
Effective Rent						\$2,492	\$2,511	\$2,500	\$2,495	\$2,479	\$2,496
Occupancy						0%	42%	63%	79%	85%	87%
Concession (\$)						\$181	\$199	\$226	\$217	\$211	\$188

[2] AMLI Park Broadway, 245 W Broadway, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent						\$2,880	\$2,914	\$2,884	\$2,904	\$2,923	\$2,869
Effective Rent						\$2,687	\$2,624	\$2,536	\$2,515	\$2,514	\$2,483
Occupancy						11%	41%	61%	76%	84%	92%
Concession (\$)						\$293	\$290	\$348	\$369	\$409	\$386

[3] Gallery 421, 421 W Broadway, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent	\$2,382	\$2,415	\$2,524	\$2,433	\$2,407	\$2,477	\$2,481	\$2,462	\$2,518	\$2,459	\$2,477
Effective Rent	\$2,374	\$2,415	\$2,524	\$2,433	\$2,407	\$2,477	\$2,481	\$2,462	\$2,518	\$2,459	\$2,477
Occupancy	95%	95%	94%	90%	95%	96%	95%	96%	96%	94%	96%
Concession (\$)	\$8	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

[4] OceanAire, 150 W Ocean Blvd, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent								\$3,216	\$3,231	\$3,207	\$3,161
Effective Rent								\$3,070	\$3,159	\$3,076	\$2,887
Occupancy								26%	43%	54%	62%
Concession (\$)								\$146	\$72	\$129	\$274

[5] Solimar, 150 W Pacific Coast Hwy, Wilmington, CA, 90744

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent	\$2,513	\$2,529	\$2,607	\$2,399	\$2,527	\$2,503	\$2,475	\$2,472	\$2,537	\$2,383	\$2,410
Effective Rent	\$2,465	\$2,480	\$2,607	\$2,399	\$2,527	\$2,503	\$2,475	\$2,472	\$2,537	\$2,383	\$2,410
Occupancy	93%	96%	96%	93%	96%	93%	94%	96%	96%	95%	96%
Concession (\$)	\$48	\$49	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$80	\$0

[6] The Alamitos, 101 Alamitos Ave, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent											\$2,863
Effective Rent											\$2,307
Occupancy											10%
Concession (\$)											\$356



[7] The Crest, 207 E Seaside Way, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent										\$2,920	\$2,847
Effective Rent										\$2,763	\$2,545
Occupancy										5%	29%
Concession (\$)										\$157	\$302

[8] The Current, 707 E Ocean Blvd, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent	\$2,874	\$2,940	\$2,901	\$2,929	\$2,869	\$3,149	\$2,893	\$2,896	\$2,994	\$3,008	\$2,939
Effective Rent	\$2,629	\$2,940	\$2,901	\$2,924	\$2,853	\$2,922	\$2,698	\$2,668	\$2,737	\$2,905	\$2,872
Occupancy	92%	95%	95%	96%	92%	89%	92%	91%	95%	95%	95%
Concession (\$)	\$145	\$0	\$0	\$5	\$16	\$227	\$197	\$208	\$167	\$103	\$61

[9] The Edison, 100 Long Beach Boulevard, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent	\$2,907	\$2,891	\$2,831	\$2,819	\$2,809	\$2,782	\$2,760	\$2,771	\$2,830	\$2,548	\$2,563
Effective Rent	\$2,878	\$2,800	\$2,778	\$2,778	\$2,806	\$2,782	\$2,599	\$2,771	\$2,602	\$2,543	\$2,550
Occupancy	83%	84%	80%	95%	94%	90%	89%	85%	82%	96%	94%
Concession (\$)	\$29	\$91	\$53	\$40	\$3	\$0	\$161	\$0	\$28	\$5	\$13

[10] The Linden, 434 E 4th St, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent						\$3,186	\$3,067	\$3,116	\$3,131	\$3,321	\$3,285
Effective Rent						\$2,982	\$2,930	\$2,952	\$2,953	\$3,154	\$3,123
Occupancy						8%	49%	86%	96%	98%	92%
Concession (\$)						\$184	\$157	\$164	\$178	\$167	\$162

[11] The Pacific, 230 W 3rd St, Long Beach, CA, 90802

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent											\$3,133
Effective Rent											\$2,711
Occupancy											46%
Concession (\$)											\$422

[12] The Renaissance at City Center, 21800 S Avalon Blvd, Carson, CA, 90745

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent	\$2,662	\$2,661	\$2,735	\$2,752	\$2,778	\$2,773	\$2,730	\$2,720	\$2,700	\$2,611	\$2,614
Effective Rent	\$2,568	\$2,661	\$2,735	\$2,752	\$2,778	\$2,773	\$2,730	\$2,708	\$2,700	\$2,563	\$2,504
Occupancy	97%	96%	97%	98%	97%	99%	96%	97%	96%	98%	98%
Concession (\$)	\$74	\$0	\$0	\$0	\$0	\$0	\$0	\$11	\$0	\$48	\$110

[13] Urban Village, 1081 Long Beach Blvd, Long Beach, CA, 90813

Quarters	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20
Asking Rent	\$2,066	\$2,098	\$2,171	\$2,123	\$1,971	\$1,993	\$2,140	\$2,152	\$2,075	\$2,088	\$2,079
Effective Rent	\$2,066	\$2,098	\$2,171	\$2,123	\$1,971	\$1,993	\$2,140	\$2,134	\$2,064	\$2,088	\$2,079
Occupancy	94%	94%	98%	97%	95%	98%	97%	93%	95%	95%	96%
Concession (\$)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18	\$11	\$0	\$0

The following are relevant metrics for this information.

- ☞ Assets in the lease-up stage continue to increase occupancy
- ☞ Average rental rates vary with some up and some down
- ☞ Occupancy at the stabilized assets has remained relatively strong
- ☞ Concessions exist and generally increased in Q3 2019



CoStar Competitive Market

The following map and tables provide a summary of the local market based on CoStar.

Geography

- The polygon borders in the map

Property Type

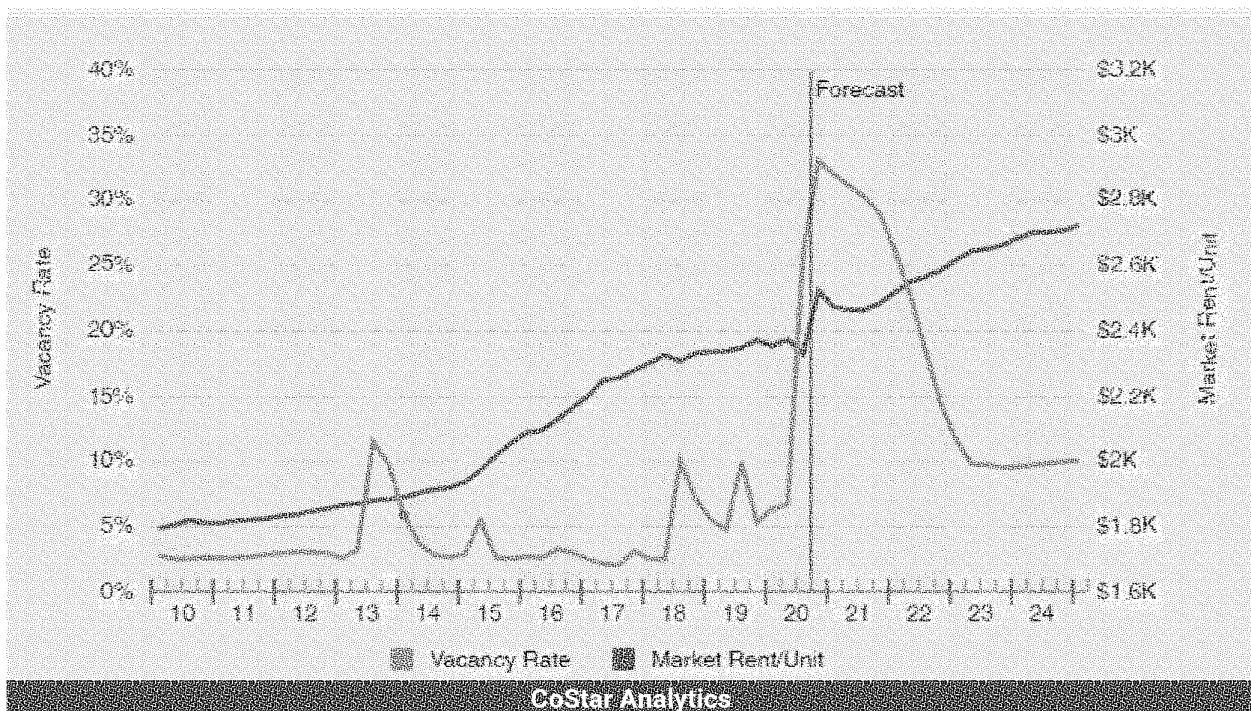
- Multi-family apartments
- 100+ Units



Availability		Inventory	
Vacant Units	428 ▲	Existing Buildings	8 ▲
Asking Rent/SF	\$2.47 ▼	Average Units Per Bldg	209 ▲
Concession Rate	1.7% ▲	12 Mo Demolished Units	0 ▼
Studio Asking Rent	\$1,919 ▲	12 Mo Occupancy % at Delivery	5.0%
1 Bedroom Asking Rent/Unit	\$2,049 ▼	12 Mo Construction Starts Units	0 ▼
2 Bedroom Asking Rent/Unit	\$2,608 ▲	12 Mo Delivered Units	357 ▲
3 Bedroom Asking Rent/Unit	\$2,222 ▼	12 Mo Avg Delivered Units	357

CoStar Trends

Vacancy & Market Asking Rent Per Unit



- ❗ The high vacancy rate is an anomaly as this is a small data set due to year built and several assets are in the lease-up stage, which artificially increases vacancy. This is highlighted by the fact over 357 new units have been delivered into the market. This figure is an anomaly and the market should return to a more stabilized figure around five percent
- ❗ CoStar is forecasting a 2.5%+ growth rate post Covid.



- Historically, the Carson market has achieved rental rate growth of approximately 2.5 percent annually, and this is expected to continue once the impact of Covid is mitigated.

REIS/Moody's Market Forecast

The following table provides a forecast for the Carson/San Pedro/East Torrance and Lomita submarket as defined by REIS/Moody's. This forecast is based on an underlying economic model which is shown in the second table. The forecast uses the base model.

Carson/San Pedro/E Torrance/Lomita

Year	Inventory (Unit)	Completions	Vac %	Asking Rent/Unit	Asking Rent % Chg
2021	17,514	332	5.50%	\$1,537.02	-5.10%
2022	17,605	91	4.40%	\$1,539.23	0.10%
2023	17,605	0	3.30%	\$1,568.32	1.90%
2024	17,605	0	2.80%	\$1,611.76	2.80%
2025	17,605	0	2.50%	\$1,678.65	4.20%
2026	17,605	0	2.30%	\$1,768.79	5.40%
2027	17,605	0	2.70%	\$1,869.44	5.70%
2028	17,605	0	2.80%	\$1,978.43	5.80%
2029	17,605	0	3.10%	\$2,103.07	6.30%

Los Angeles MSA

Year	Total Employment	Total Employment % Chg	Households	Households % Chg	Household Avg Income	Household Avg Income % Chg
2021	4,275,930	2.52%	3,419,110	0.28%	\$196,211.00	0.84%
2022	4,422,510	3.43%	3,438,070	0.55%	\$207,133.00	5.57%
2023	4,530,660	2.45%	3,463,550	0.74%	\$217,522.00	5.02%
2024	4,563,010	0.71%	3,490,970	0.79%	\$226,193.00	3.99%
2025	4,576,590	0.30%	3,517,030	0.75%	\$234,598.00	3.72%
2026	4,589,520	0.28%	3,541,420	0.69%	\$243,229.00	3.68%
2027	4,600,910	0.25%	3,564,210	0.64%	\$252,701.00	3.89%
2028	4,617,240	0.35%	3,587,230	0.65%	\$262,581.00	3.91%
2029	4,635,030	0.39%	3,609,980	0.63%	\$272,611.00	3.82%

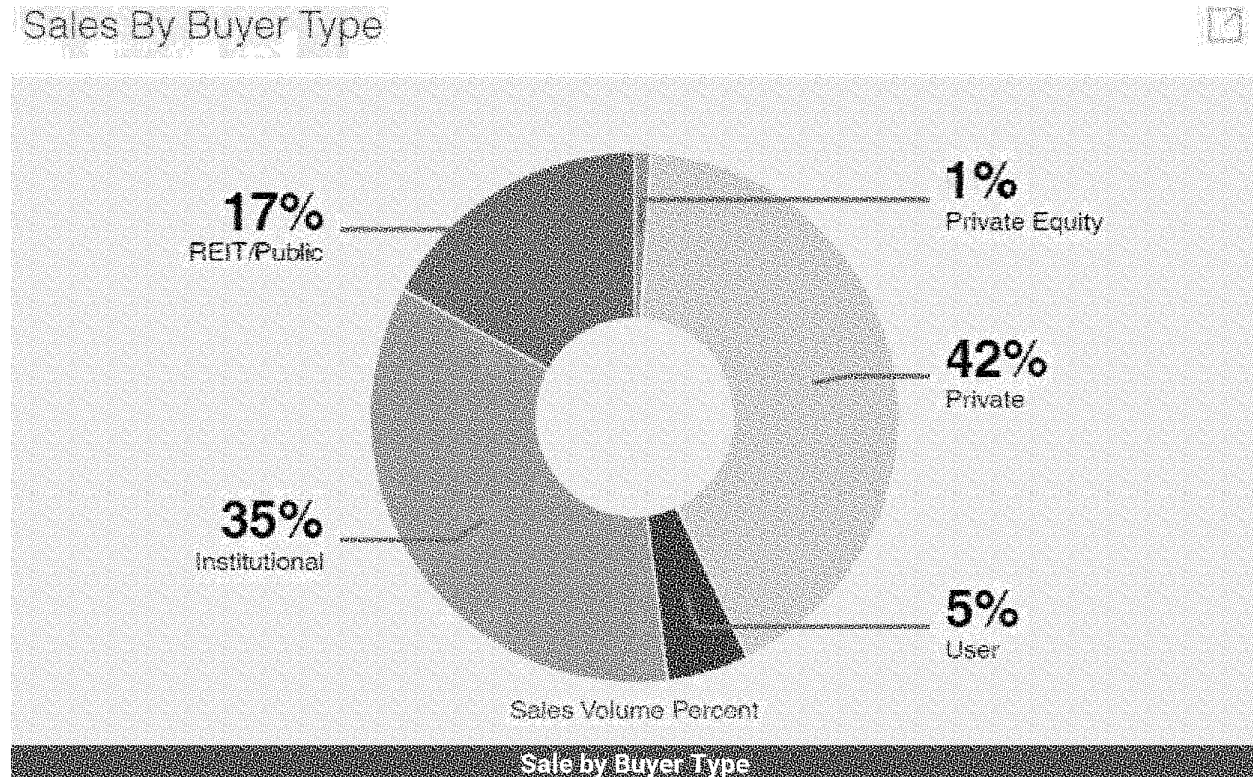
- Occupancy within the Carson submarket is expected to improve once the projected new inventory is absorbed
- Rents will effectively remain flat for through 2023 and then increase significantly (above 4.0 percent) starting in 2025
- Overall, this submarket is expected to improve over the long-term



CoStar Buyer Profile

The following table provides a summary based upon the following sales search parameters in CoStar.

- ☒ Geography – Los Angeles County
- ☒ Property – Apartment buildings 100+ units
- ☒ Time – Sales from January 1, 2020



Outlook and Conclusions

- ☒ The typical buyer is private parties or institutional, which is consistent with the buyer profiles noted by brokers in the competitive market and the individual sales.
- ☒ Los Angeles and the subject market should be characterized by strong occupancy as demand in this market continues to remain strong.
- ☒ The CoStar market statistics demonstrate the region is being impacted by Covid-19 as the vacancy rate is increasing, but is expected to normalize in 2022.



Covid-19

The Coronavirus/COVID-19 pandemic has disrupted the real estate market although the reduced level of transactional evidence makes it difficult to quantify the extent. Based on actual sales/leasing activity and discussions with market professionals, the impact of COVID-19 will vary by location, property type and general economic conditions. Therefore, the steps taken to determine the impact of Covid-19 are:

- A brief summary of economic and social impacts to demonstrate the overall magnitude of the pandemic
- A summary of various real-estate insights as a framework to estimate the impact of the pandemic
- Subject conclusions

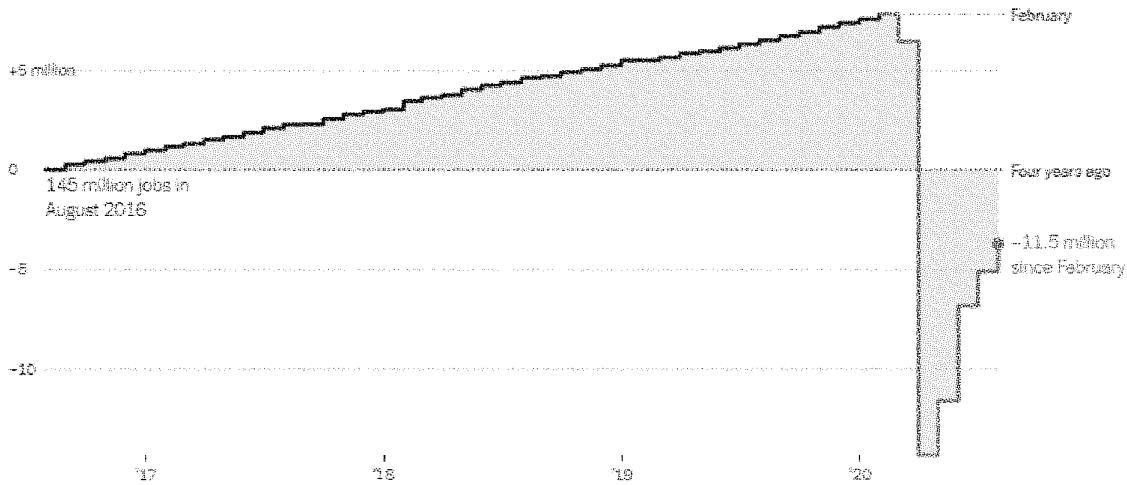
Economic and Social Impact

Economic indicators which demonstrate the severity of the overall impact are:

- More than 45M Americans filed jobless claims since the shutdown began in mid-March, which are historic numbers (weekly figures have exceeded 1.0M claims)
- The US unemployment rate in Q1 2020 surged to a Depression-era level of 14.7 percent and is expected to go higher in Q2 2020
- US GDP declined at a 4.8 percent annual rate in Q1 2020, the first decline since 2014 and the worst quarterly contraction since 2008
- The following table from the NY Times demonstrates the cumulative effect on jobs.



Jobs remain far below pre-pandemic levels
 Cumulative change in all jobs since August 2016



By Ella Kneze - Data is seasonally adjusted - Source: Bureau of Labor Statistics

Social indicators which demonstrate the severity of the pandemic are:

- The State of California level of infections and deaths are starting to abate but there is a growing concern over another spike before the end of the year and therefore the government is more aggressive in terms of control relative to Q2 2020.
- The State of California is using a data-based, four-level risk mitigation plan to re-open the economy and as of the first week of September 2020, only two counties in the state were at the Minimal level which permits most indoor business operations. No counties in SoCal meet the requirements to have most indoor businesses open

Real Estate Insights

NKF Sources

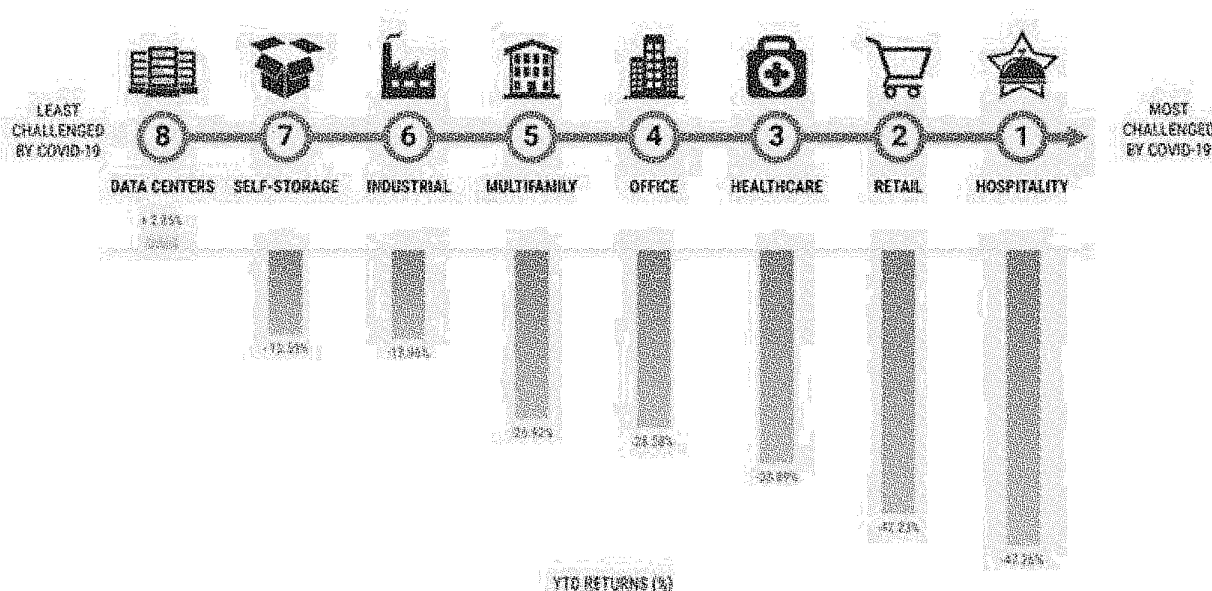
- NKF Multifamily Capital Markets reports that “demand for multifamily among investors has not abated. While several early stage marketing efforts are on hold as markets adjust daily to the current environment, virtually all delayed transactions are expected to ramp up fairly quickly when we return to a more normalized capital markets environment.”
- From a debt market perspective, Newmark Knight Frank’s Capital Markets team has been closely monitoring the response of lenders to the volatility in the markets. While the longer-term impact on the market is still evolving and not transparent, the short-term impact includes a disruption to the overall credit liquidity and a slowdown (and interim halt) in new business generation.



- With the Fed reducing its fund rate to zero, lenders have in most cases been widening spreads or interest rate “floors”; to the degree the reduced fed funds rate is passed through to commercial property borrowers through narrower spreads by banks and other lenders, the equity returns will be enhanced, and at least partially offset increased risk profiles for many assets.
- ☛ NKF Research has found that for projects under construction, developers are continuing with most projects. For Industrial, developers reported continuing with 91.2% while multifamily developers are continuing with 90%.

REIT Performance

Based on year-to-date REIT performance as of late March, the spectrum of pressure by property type levied by the crisis is reflected in the diagram below.



Anecdotal Evidence

The following information focuses on property type or property specific insights to provide an overview of the impact of Covid-19 on the real estate market.

- ☛ Based upon discussions with a potential buyer of an institutional apartment building with a good location in May 2020, they are negotiating at an acquisition price which reflects a modest increase (less than 25 basis points) relative to the terms being negotiated in January 2020. This pricing adjustment does not include any impact of a below-the-line rent loss.



- Based on conversations with multi-family capital market brokers, re-trades are occurring but the overall impact for non-institutional assets is less than 10 percent.
- The price for a nine-unit apartment building with a core location closed with an all cash 10-day escrow on June 3rd, 2020. There were multiple offers and the price reflected an adjustment of less than five percent.
- The price for a 40-unit building under contract was lowered by 6.7 percent during the escrow period due to Covid-19. This is a value-add property where the buyer intends to renovate the units and increase rents significantly (i.e. it also includes the risk of the tenant relocation fee)
- A 200+unit apartment building in Lancaster was marketed in July/August 2020 and received over 15 offers indicating demand continues to exist. A primary driver of demand was the low interest rates. No change was made to the cap rate relative to pre-Covid, but all underwriting was more conservative
- There is a growing consensus from manager, owners and brokers that rent loss will likely increase starting in September 2020 as a stimulus package does not seem likely

Subject Conclusions

The definition of market value is based on the premise that a willing buyer and seller would agree to as of the effective date of the appraisal. It is this required “meeting of the minds” structure where the following specific conclusions for the subject are made.

- The exposure and marketing time period are 6 to 12 months (typically apartments would transfer with a 90-180-day period)
- Potential for a rent loss has not been modelled but the risk has been considered in the value conclusion
- Overall, the subject is considered to be an asset which is at the lower end of impact.



Retail Component

The retail component is considered secondary use and therefore this component has been valued in this stand-alone section which includes the following:

- Subject Analysis
- Overall Retail Market Overview
- CoStar Competitive Market Analysis
- Retail Component Net Operating Income Projection
- Retail Component Value

Subject Analysis

The subject property is on the east side of Avalon Boulevard just south of Carson Boulevard. The retail space is on the ground floor of a larger mixed-use development and totals 12,706 square feet. The space is divided into eight spaces and 92 percent leased (there is one vacant store). It is part of a larger commercial retail district which is being revitalized through the development of similar mixed-use projects.

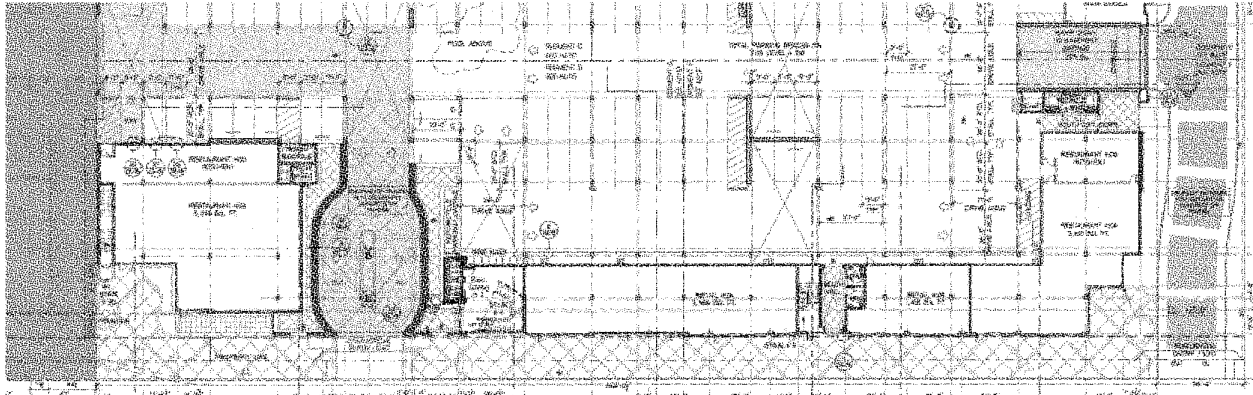
Avalon Boulevard is a major north/south street which provides access to Interstate 405 approximately 0.75-miles to the north and the South Bay Pavilion regional mall approximately 0.85 miles to the north. The South Bay Pavilion regional mall is anchored by an Ikea and Target as well as numerous out-pad buildings.

As shown in the site plan, all of the stores front on Avalon Boulevard and parking is provided in at grade spaces behind the stores. The site plan is from the original construction drawings and does not show the actual tenancy.

The retail component is a relatively minor component of the overall project as the income from this segment is less than 10% of the effective gross income from the residential component.

The following site plan and rent roll provide additional information on the retail component.





Rent Roll										
Suite Number	Tenant	Rentable Area (SF)	Lease Term		Rem. Mos.	MLA Category	Year 1 Market Rent		Year 1 Contract Rent	
			Start	End			\$ Total	\$ PSF	\$ Total	\$ PSF
100	European Wax	1,327	Nov-17	Oct-27	99	Retail	\$31,848	\$24.00	\$32,640	\$24.60
101	Massage Envy	3,718	Nov-17	Oct-27	99	Retail	\$89,232	\$24.00	\$91,464	\$24.60
102	Hands and Feet Nail Spa	1,300	Feb-15	Mar-25	67	Retail	\$31,200	\$24.00	\$40,176	\$30.90
103	Johanna Martinez	975	May-15	Jun-26	83	Retail	\$17,550	\$18.00	\$20,016	\$20.53
104	VACANT	1,000	N/A	N/A	0	Retail	\$18,000	\$18.00	\$18,000	\$18.00
105	btone Fitness	1,650	Mar-19	Feb-24	55	Retail	\$29,700	\$18.00	\$40,596	\$24.60
106	Gregory Owens Insurance & Fina	1,000	May-16	Apr-19	0	Retail	\$18,000	\$18.00	\$19,092	\$19.09
107	Fresh & Meaty Burgers Inc.	1,736	May-15	Feb-21	18	Retail	\$31,248	\$18.00	\$28,008	\$16.13
Total	Occupied	11,706			67		\$266,778	\$21.00	\$289,992	\$22.82
Total	Vacant	1,000								
Total	Total (Average)	12,706								

Compiled by NKF

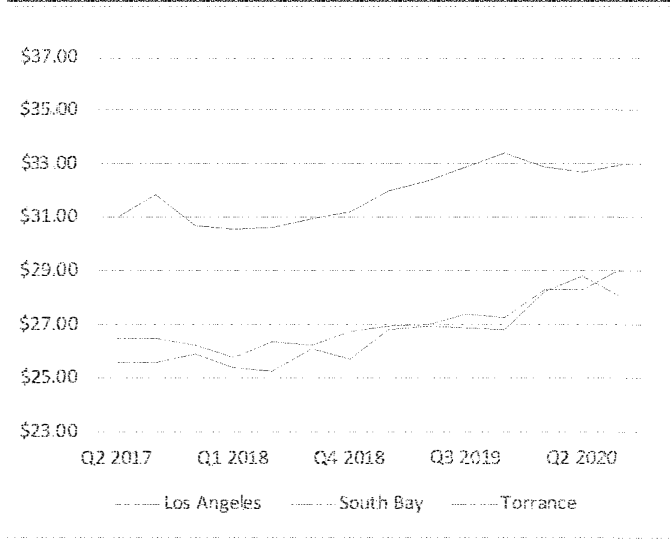
Overall, the subject is considered to have a second-tier location as is mid-block. This is further supported by the tenancy at the subject which does not include any major national or regional chains.

Overall Retail Market Analysis

The following discussion outlines overall market performance in the surrounding retail market. Presented first are market statistics of the Los Angeles area and the submarket overall along with more closely focused statistics related specifically to the subject property and its market segment. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.



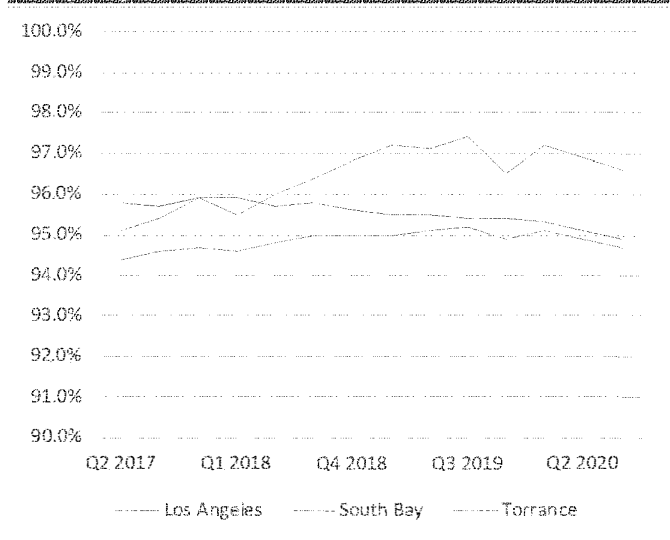
Asking Rent Per SF



Period	Los Angeles	South Bay	Torrance
Q2 2017	\$30.99	\$26.46	\$25.59
Q3 2017	\$31.84	\$26.51	\$25.56
Q4 2017	\$30.66	\$26.25	\$25.89
Q1 2018	\$30.58	\$25.79	\$25.37
Q2 2018	\$30.63	\$26.33	\$25.23
Q3 2018	\$30.98	\$26.21	\$26.08
Q4 2018	\$31.19	\$26.72	\$25.68
Q1 2019	\$31.97	\$26.94	\$26.79
Q2 2019	\$32.36	\$27.03	\$26.93
Q3 2019	\$32.88	\$27.41	\$26.88
Q4 2019	\$33.40	\$27.26	\$26.81
Q1 2020	\$32.89	\$28.29	\$28.20
Q2 2020	\$32.70	\$28.29	\$28.83
Q3 2020	\$32.94	\$29.05	\$28.01

Source: Costar; Compiled by NKF Valuation & Advisory

Occupancy Rate



Period	Los Angeles	South Bay	Torrance
Q2 2017	95.8%	94.4%	95.1%
Q3 2017	95.7%	94.6%	95.4%
Q4 2017	95.9%	94.7%	95.9%
Q1 2018	95.9%	94.6%	95.5%
Q2 2018	95.7%	94.8%	96.0%
Q3 2018	95.8%	95.0%	96.4%
Q4 2018	95.6%	95.0%	96.8%
Q1 2019	95.5%	95.0%	97.2%
Q2 2019	95.5%	95.1%	97.1%
Q3 2019	95.4%	95.2%	97.4%
Q4 2019	95.4%	94.9%	96.5%
Q1 2020	95.3%	95.1%	97.2%
Q2 2020	95.1%	94.9%	96.9%
Q3 2020	94.9%	94.7%	96.6%

Source: Costar; Compiled by NKF Valuation & Advisory

Retail Market Statistics

Trailing Four Quarters Ended Q3 2020

Market / Submarket	Inventory (SF)	Completions (SF)	Vacancy (%)	Net Absorption (SF)	NNN Rem Overall / SF
Los Angeles	445,837,121	1,490,111	5.10%	-1,870,234	\$32.94
South Bay	64,355,756	287,939	5.30%	-205,237	\$29.05
Torrance	18,992,483	6,500	3.40%	-291,658	\$28.01

Source: Costar; Compiled by NKF Valuation & Advisory



- ☛ The average occupancy rate for the subject submarket is higher than that of the overall market area.
- ☛ The average rental rate for the submarket is lower than the overall Los Angeles market.
- ☛ The regional and local statistics indicate the market is being impacted by Covid-19 as the vacancy rate increased, with no significant change in the rental rate (some up and some down). However, this likely understates the impact as vacancy is increasing in large-scale commercial regions like the subject.

Market and Submarket Trends

Retail Market Trends								
	Los Angeles				South Bay			
	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF	Inventory (SF)	Completions (SF)	Vacancy %	NNN Rent Overall / SF
Q3 2018	445,156,290	375,156	4.2%	\$30.98	64,293,866	29,672	5.0%	\$26.21
Q4 2018	444,957,030	154,971	4.4%	\$31.19	64,294,363	44,588	5.0%	\$26.72
Q1 2019	444,810,651	226,425	4.5%	\$31.97	64,309,742	61,161	5.0%	\$26.94
Q2 2019	445,222,849	620,522	4.5%	\$32.36	64,285,334	25,180	4.9%	\$27.03
Q3 2019	445,090,080	87,765	4.6%	\$32.88	64,268,633	13,299	4.8%	\$27.41
Q4 2019	445,302,399	506,887	4.6%	\$33.40	64,520,435	258,000	5.1%	\$27.26
Q1 2020	445,529,192	458,837	4.7%	\$32.89	64,386,014	13,300	4.9%	\$28.29
Q2 2020	445,626,163	136,298	4.9%	\$32.70	64,397,214	11,200	5.1%	\$28.29
Q3 2020	445,837,121	388,089	5.1%	\$32.94	64,355,756	5,439	5.3%	\$29.05

* Forecast

Source: Costar; Compiled by NKF Valuation & Advisory

- ☛ The overall market area and submarket have been declining with respect to occupancy over the past year. Over the past several years, effective rental rates have been following an increasing trend.
- ☛ The regional and local statistics indicate the market is being impacted by Covid-19 as the vacancy rate increased, with no significant change in the rental rate (some up and some down). However, this likely understates the impact as vacancy is increasing in large-scale commercial regions like the subject.



Construction Versus Absorption

Construction/Absorption Change									
Market / Submarket	Prior Calendar Years History								
	Prior Calendar Year History			Prior Three Year History			Prior Five Year History		
	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio	SF Built	SF Absorbed	Const. / Abs. Ratio
Los Angeles	1,441,599	-1,007,353	-1.4	4,766,439	-1,096,887	-4.3	9,076,314	2,940,701	3.1
South Bay	357,640	200,509	1.8	631,784	115,251	5.5	1,225,137	458,954	2.7
Torrance	72,426	2,165	33.5	194,169	38,690	5.0	563,609	284,716	2.0

Source: Costar, Compiled by NKF Valuation & Advisory

Trends and Projections

Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators					
	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year
Costar					
Los Angeles	5.10%	4.60%	4.10%	4.90%	5.50%
South Bay	5.30%	5.10%	5.30%	4.80%	5.80%
Torrance	3.40%	3.50%	4.10%	2.50%	4.60%

Source: Costar, NKF Valuation & Advisory



CoStar Competitive Market

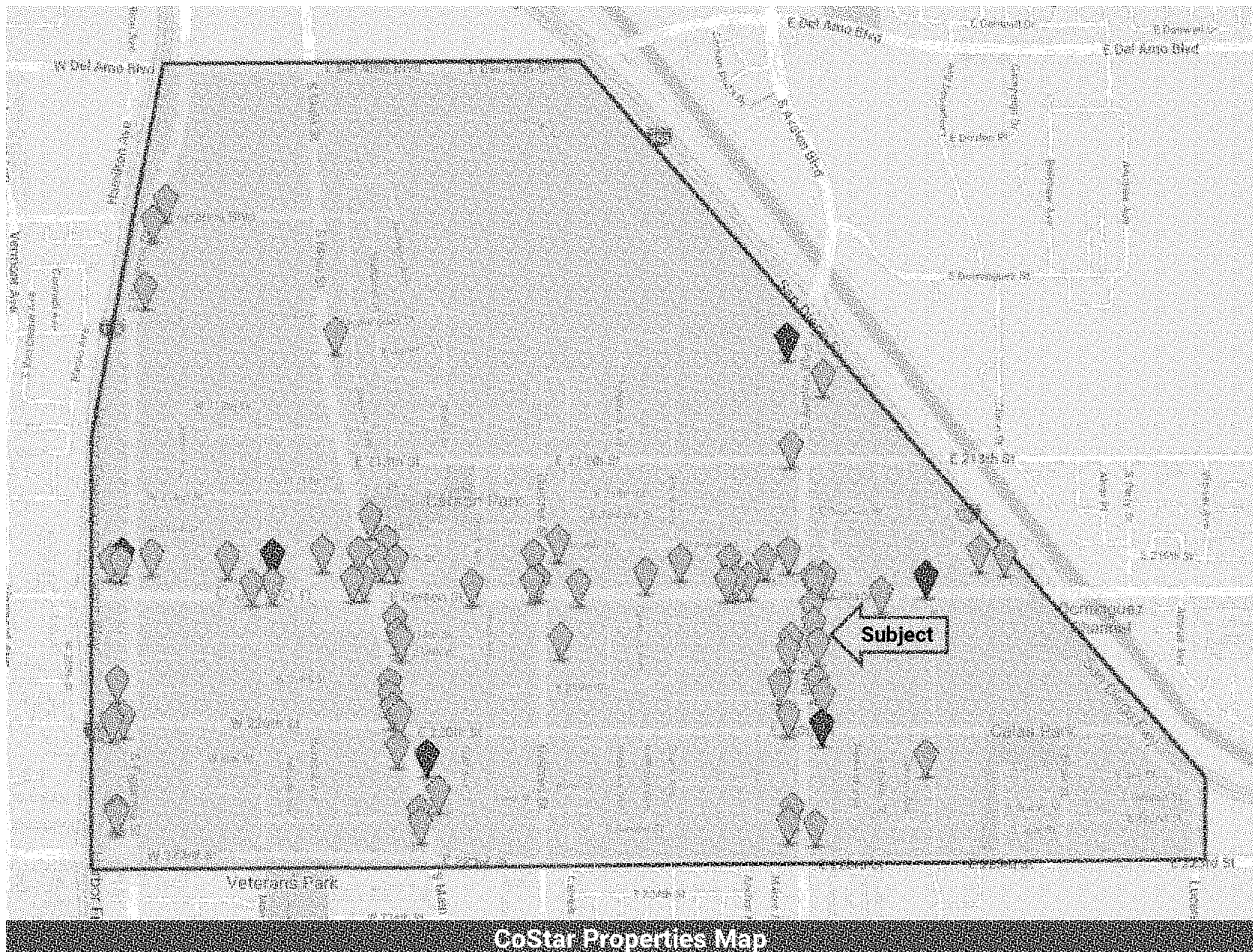
The following map and tables provide a summary of the local market based on CoStar.

📍 Geography

- The polygon borders in the map

📍 Property Type

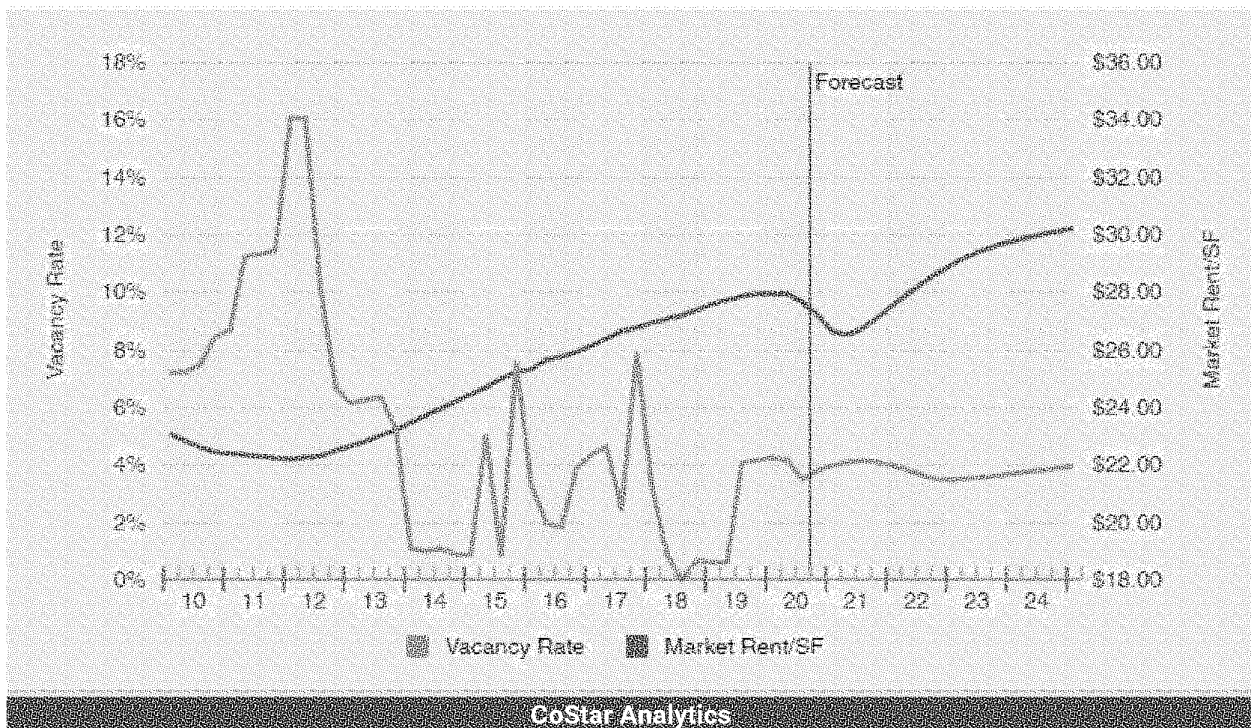
- Retail Properties
- Buildings Under 20,000 SF



Availability		Inventory	
Vacant SF	3.6K ↓	Existing Buildings	17 ↓
Sublet SF	0 ↓	Under Construction Avg SF	-
Availability Rate	3.5% ↓	12 Mo Demolished SF	0 ↓
Available SF	3.6K ↓	12 Mo Occupancy % at Delivery	-
Available Asking Rent/SF	\$39.00 ↑	12 Mo Construction Starts SF	0 ↓
Occupancy Rate	96.5% ↑	12 Mo Delivered SF	0 ↓
Percent Leased Rate	96.0% ↑	12 Mo Avg Delivered SF	-

CoStar Trends

Vacancy & Market Rent Per SF



Net Operating Income Projection

The following analysis is used to determine the projected net operating income for this component of the subject. The resulting figure is added to the direct capitalization in the primary use analysis.

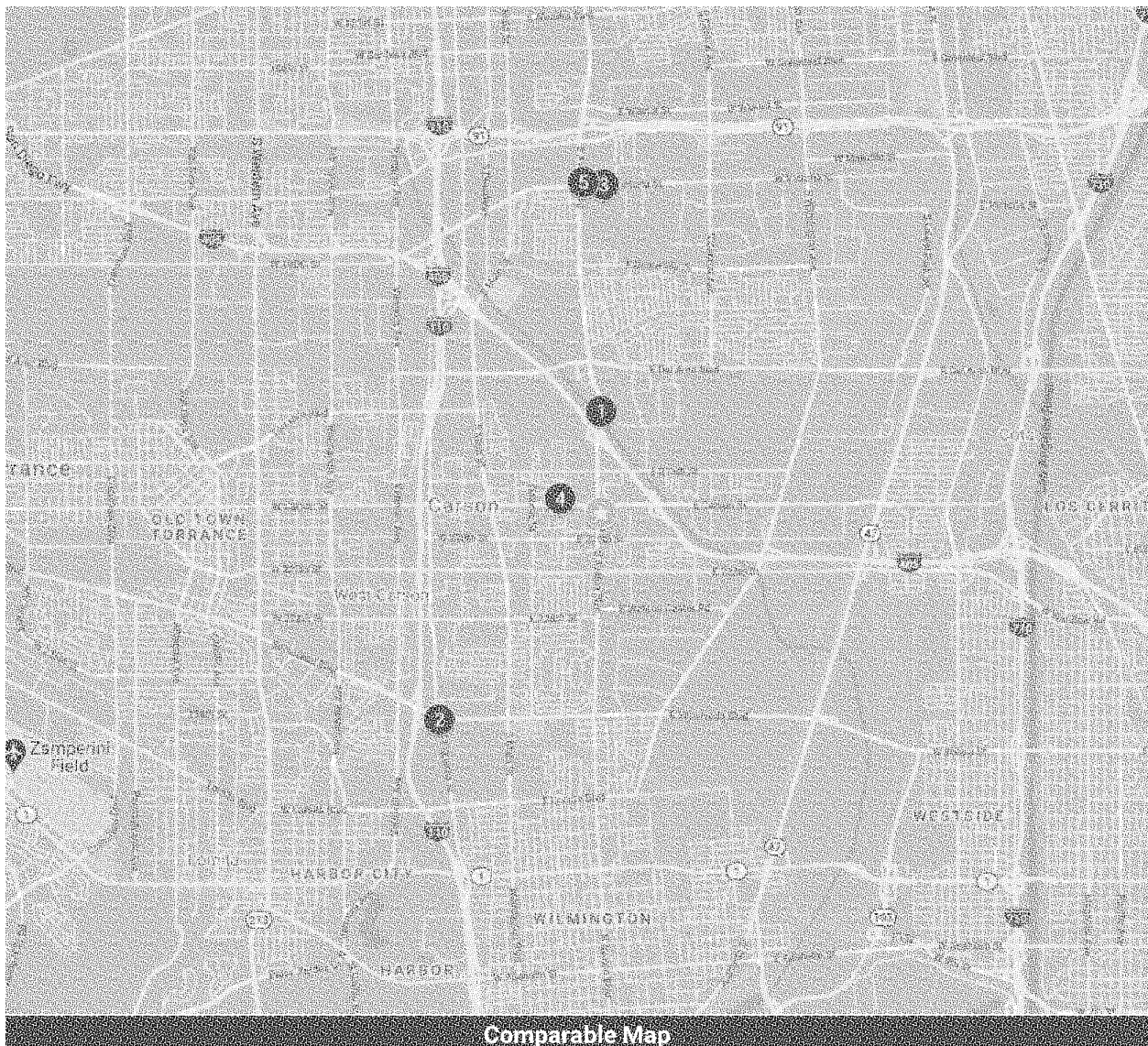
Market Rent

Contract rents typically establish income for leased space, while market rent is the basis for estimating income for current vacant space and future speculative re-leasing of space due to



expired leases. Also, it is important to compare current contract rent levels with market rent levels (i.e. above/below market rent profile). To estimate market rent for the subject, we considered data and opinions from the following:

- asking rents from competitive properties;
- actual recent leases from comparable buildings;
- recently negotiated or signed leases within the subject property; and
- opinions of market rent derived from our interviews of leasing brokers active in the local market



Comparable Rentals Summary						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	21800 Avalon Boulevard	20761-20777 S. Avalon Blvd.	600-608 W. Sepulveda Blvd.	17920-17952 E. Avalon Blvd.	441 E. Carson St.	17920-17952 E. Avalon Blvd.
City, State	Carson, CA	Carson, CA	Carson, CA	Carson, CA	Carson, CA	Carson, CA
Submarket	LA South Bay	LA South Bay	LA South Bay	LA South Bay	LA South Bay	LA South Bay
Rentable Area (SF)	12,706 SF	15,577 SF	7,575 SF	8,900 SF	25,142 SF	9,800 SF
Year Built (Renovated)	2013	1980	1985	1982	1991	1982
Investment Grade	Class A	Class B	Class C	Class C	Class B	Class C
Rental Survey Information						
Survey Date		Nov-20	Nov-20	Nov-20	Nov-20	Nov-20
Lease Details						
Lease Status		Asking	Asking	Asking	Asking	Asking
Lease Date		Sep-20	Apr-20	Jan-20	Oct-19	Jul-19
Term (Mos.)		36	12	36	N/A	N/A
Lease Size (SF)		1,250	1,100	2,200	1,802	750
Full Building Lease		No	No	No	No	No
Rates and Measures						
Base Rental Rate		\$36.00	\$27.00	\$35.40	\$18.00	\$35.40
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net	Triple Net	Triple Net

Compiled by NKF

Analysis of Comparable Leases

Comparable Nos. 1 thru 3 and No. 5 are all superior strip centers with good locations in the wider Carson market and significant downward adjustments are required. Comparable No. 4 is a second-tier strip center just west of the subject on Carson Street and provides an indication of the low end of the achievable rent as this is the asking rent is a non-core location in the center.

In addition to the asking rents in Carson, consideration was given to lease comparables in the wider South Bay commercial market shown in the following table.

Comparable Leases Summary				
Retail - Small Space	Subject	Lease 4	Lease 5	Lease 6
Property Name	See's Candy - Torrance	Meadow Park Plaza	2370 Crenshaw Boulevard	Southwood Village
Address	22724 Hawthorne	22733-22833 Hawthorne	2370 Crenshaw Boulevard	22214-22236 Palos Verdes
City, State	Torrance, CA	Torrance, CA	Torrance, CA	Torrance, CA
Submarket	LA South Bay	LA South Bay	LA South Bay	LA South Bay
Rentable Area (SF)	18,099 SF	63,491 SF	19,763 SF	22,564 SF
Year Built (Renovated)	1974	1978	2002	1954
Number of Stories	1	1	1	1
Condition	Average	Average	Average	Average
Investment Grade	Class B	Class B	Class B	Class B
Rental Survey Information				
Survey Date		Sep-20	Sep-20	Sep-20
Lease Details - Retail - Small				
Lease Status		Asking Rent	Signed Lease	Signed Lease
Lease Date		Oct-20	Feb-20	Aug-19
Term (Mos.)		60	60	60
Lease Size (SF)		1,400	1,088	2,952
Tenant Name		TBD	Eye to Eye	Brazilian Jiu-Jitsu
Full Building Lease		No	No	No
Rates and Measures				
Base Rental Rate		\$30.00	\$33.00	\$27.00
Base Rent Escalation Type		Fixed Percentage	Fixed Percentage	Fixed Percentage
Escalation Description		3% annual	3% annual	3% annual
Lease Reimbursement Method		Triple Net	Triple Net	Triple Net

Compiled by NKF



In addition to the comparables, consideration was given to the one 2019 lease in the subject. This was a 1,650-square-foot space in March 2019 for a five-year term at \$21.00 per square foot. The asking rent for the one vacant space is \$18.00 which is reflective of the impact of Covid-19.

Additional consideration was also given to the 2017 leases as some investors analyze commercial assets assuming market rent will return to prior achievable levels from 2017-2019.

Overall, market rent would range from a low of \$18.00 to a high of \$24.00 based upon the location and tenancy.

Conclusion

The contract rent and market rent are show in the following table

Rent Roll											
Suite Number	Tenant	Rentable Area (SF)	Lease Term		Rem. Mos.	MLA Category	Year 1 Market Rent		Year 1 Contract Rent		
			Start	End			\$ Total	\$ PSF	\$ Total	\$ PSF	
100	European Wax	1,327	Nov-17	Oct-27	99	Retail	\$31,848	\$24.00	\$32,640	\$24.60	
101	Massage Envy	3,718	Nov-17	Oct-27	99	Retail	\$89,232	\$24.00	\$91,464	\$24.60	
102	Hands and Feet Nail Spa	1,300	Feb-15	Mar-25	67	Retail	\$31,200	\$24.00	\$40,176	\$30.90	
103	Johanna Martinez	975	May-15	Jun-26	83	Retail	\$17,550	\$18.00	\$20,016	\$20.53	
104	VACANT	1,000	N/A	N/A	0	Retail	\$18,000	\$18.00	\$18,000	\$18.00	
105	btone Fitness	1,650	Mar-19	Feb-24	55	Retail	\$29,700	\$18.00	\$40,596	\$24.60	
106	Gregory Owens Insurance & Fina	1,000	May-16	Apr-19	0	Retail	\$18,000	\$18.00	\$19,092	\$19.09	
107	Fresh & Meaty Burgers Inc.	1,736	May-15	Feb-21	18	Retail	\$31,248	\$18.00	\$28,008	\$16.13	
Total	Occupied	11,706			67		\$266,778	\$21.00	\$289,992	\$22.82	
Total	Vacant	1,000									
Total	Total (Average)	12,706									

Compiled by NKF

Common Area Reimbursements

Leases in the subject market are generally structured on a triple net basis, with the tenants responsible for all operating expenses. Due to the mixed-use nature of most of this retail market, space is typically marketed on a fixed CAM basis and the subject is quoted at a rate of \$6.00 per square foot which is on par with comparable properties which typically range from \$6.00 to \$9.00 per square foot annually.

Vacancy & Collection Loss Allowance

The following was considered in estimating the total stabilized vacancy and collection loss allowance 15.00%.

- The subject is a multi-tenant asset and will be subject to vacancy
- Larger developments similar to the subject in the market are and have historically been impacted by vacancy when leased at market rates



- Supply will continue to be added to the market through the continued development of additional mixed-use projects (the ground floor is required to be commercial space).

Operating Expenses

Expense Analysis per Square Foot				
	Comp 1	Comp 2	Comp 3	Comp 4
Year Built	2007	2009	1951	1955
SF	20,082	40,000	9,000	17,494
Operating Data Type	Actual	Actual	Actual	Actual
Year	2019	2018	2018	2018
Operating Expenses per Square Foot				
Real Estate Taxes	\$2.16	\$2.48	\$5.71	\$4.09
Insurance	\$0.12	\$0.44	\$0.52	\$0.24
Repairs and Maintenance	\$4.42	\$3.25	\$1.44	\$1.85
General and Administrative	\$0.30	\$0.50	\$0.00	\$0.30
Management		\$1.10	\$1.92	\$0.60
Total Operating Expenses per Square Foot	\$7.00	\$7.77	\$9.59	\$7.08

Net Operating Income (% of EGI)

Compiled by NKF

Direct Capitalization

The following sales were utilized to support the direct capitalization.

Comparable Retail Sales Summary								
No.	Address	Yr. Built	Sale Date	Rentable		Occ. %	Price per SF	OAR
				Area	Price per SF			
1	22005 Avalon Boulevard, Carson, CA	1991	Mar-2020	5,174		100%	\$329	4.70%
2	2295 Long Beach Boulevard, Long Beach, CA	1985	Jan-2020	5,096		100%	\$334	5.84%
3	18420 Hawthorne Boulevard, Torrance, CA	1985	Oct-2019	11,482		100%	\$287	5.20%
4	3560-3596 Redondo Beach Blvd, Torrance, CA	1977	Oct-2019	21,985		94%	\$405	5.30%
Average (Mean) Cap Rate:								5.26%

Compiled by NKF

- The low end of the comparable range is set by Sale 1 which transferred with significant upside potential due to the below market contract rent. The subject would generate a higher stabilized capitalization rate.
- The remaining sales create a range from 5.20% to 5.84% with an average of 5.45%. Based on the tenants at the subject and the external impact of Covid-19, the subject would generate a rate toward above the upper end of the range.



- ❧ Further, the subject is part of a larger mixed-use development which would typically increase the rate relative to a stand-alone asset.
- ❧ Based on this information, a capitalization rate of 7.0 percent is considered reasonable

Stabilization Discount

Based upon discussions with property ownership, multiple tenants have not been able to operate due to Covid-19 restrictions. Rent deferment has been provided to many of them and the total economic vacancy in 2020 has been approximately 45 percent.

For the purposes of this analysis, a stabilization discount of \$150,000 (50% of effective gross income) has been applied.

Commercial Component Value

The resulting value of the commercial component is:



Income Capitalization Approach			
Summary of Stabilized Net Operating Income			
Item Description	% of Income	\$ / SF	Total \$
Retail Revenue		12,706 SF	
Potential Base Rent		\$22.82	\$289,992
Lost Absorption / Turnover Rent		\$0.00	\$0
Free Rent		\$0.00	\$0
Scheduled Base Rent		\$22.82	\$289,992
Expense Recoveries		\$6.00	\$76,236
Percentage Rent Income		\$0.00	\$0
Total Tenant Revenue		\$28.82	\$366,228
Parking Income		\$0.00	\$0
Other Income		\$0.00	\$0
Vacancy Allowance	-15.00%	(\$4.32)	(\$54,934)
Collection Allowance	0.00%	\$0.00	\$0
Effective Gross Income		\$24.50	\$311,294
Operating Expenses		12,706 SF	
Real Estate Taxes		\$3.17	\$40,242
Insurance		\$0.25	\$3,177
General and Administrative		\$1.50	\$19,059
Management	5.00%	\$1.22	\$15,565
Total Operating Expenses	25.07%	\$6.14	\$78,042
Net Operating Income		\$18.36	\$233,252
Direct Capitalization Method			
Value Indication		\$ / SF	Total \$
Stabilized Net Operating Income		\$18.36	\$233,252
Overall Capitalization Rate			7.00%
Prospective As Stabilized Value	Effective Date: 10/28/2020		\$3,332,166
Rounded		\$262.08	\$3,330,000

Valuation Matrix	
Overall Capitalization Rate	Value
6.75%	\$3,455,579
7.00%	\$3,332,166
7.25%	\$3,217,264

As Is		
Hypothetical As Stabilized Value as of Current Date	Effective Date: 10/28/2020	\$3,332,166
Stabilization Discount		(\$150,000)
As Is Value	Effective Date: 10/28/2020	\$3,182,166
Rounded		\$250.28
		\$3,180,000

Compiled by NKF

As additional support to this value conclusion the following sales of commercial retail centers in the wider South Bay market was considered. The concluded value for the subject on a price per square foot basis is below the low end of these sales as the net operating income per square foot



is at the low end of the range and it is part of a larger mixed use development which would lower the achievable value.

Comparable Sales Summary					
	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Property Name	Pacific Plaza	Southwood Village	22001-22005 Avalon Blvd	18420 Hawthorne	Yukon Square Shopping
Address	234 Pacific Coast Highway	22214-22236 Palos Verdes	22005 Avalon Boulevard	18420 Hawthorne	3560-3596 Redondo Beach
City, State	Redondo Beach, CA	Torrance, CA	Carson, CA	Torrance, CA	Torrance, CA
Land Size	0.69 Acres	5.22 Acres	0.30 Acres	0.76 Acres	1.56 Acres
Rentable Area (SF)	22,521 SF	64,301 SF	5,174 SF	11,482 SF	21,985 SF
Year Built (Renovated)	1989	1954	1991	1985	1977
Occupancy/Owner Occ.	90%	100%	100%	100%	94%
Construction	Concrete	Wood	Concrete	Wood	Brick
Condition	Average	Average	Average	Average	Average
Land to Building Ratio	1.33	3.54	2.56	2.88	3.08
Buyer	234 Beach Plaza, LP	Southwood Village-HG LLC	Ki Soo Yom	Gol Family Trust	Crystal Cal No 1 LLC
Seller	Pacific Plaza West LLC	Grey Wolf Properties LLC	LTC Vista LLC	Apollo Holdings LLC	Torrance Yukon Square
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Competitive Class	Class B	Class B	Class C	Class C	Class B
Transaction Status	Closed	Closed	Closed	Closed	Closed
Transaction Date	Sep-20	Aug-20	Mar-20	Oct-19	Oct-19
Price	\$9,100,000	\$19,000,000	\$1,700,000	\$3,300,000	\$8,900,000
Operating Status at Sale	Stabilized Operations	Stabilized Operations	Stabilized Operations	Stabilized Operations	Stabilized Operations
Price per SF	\$404.07	\$295.49	\$328.57	\$287.41	\$404.82
NOI/SF	N/A	N/A	\$15.44	\$14.95	\$21.46
Cap Rate	N/A	N/A	4.70%	5.20%	5.30%

Compiled by NKF

As shown, the concluded value is below the low end of the range which is considered reasonable as it is part of a larger mixed-use development and several of the sales occurred pre-Covid.

Conclusion

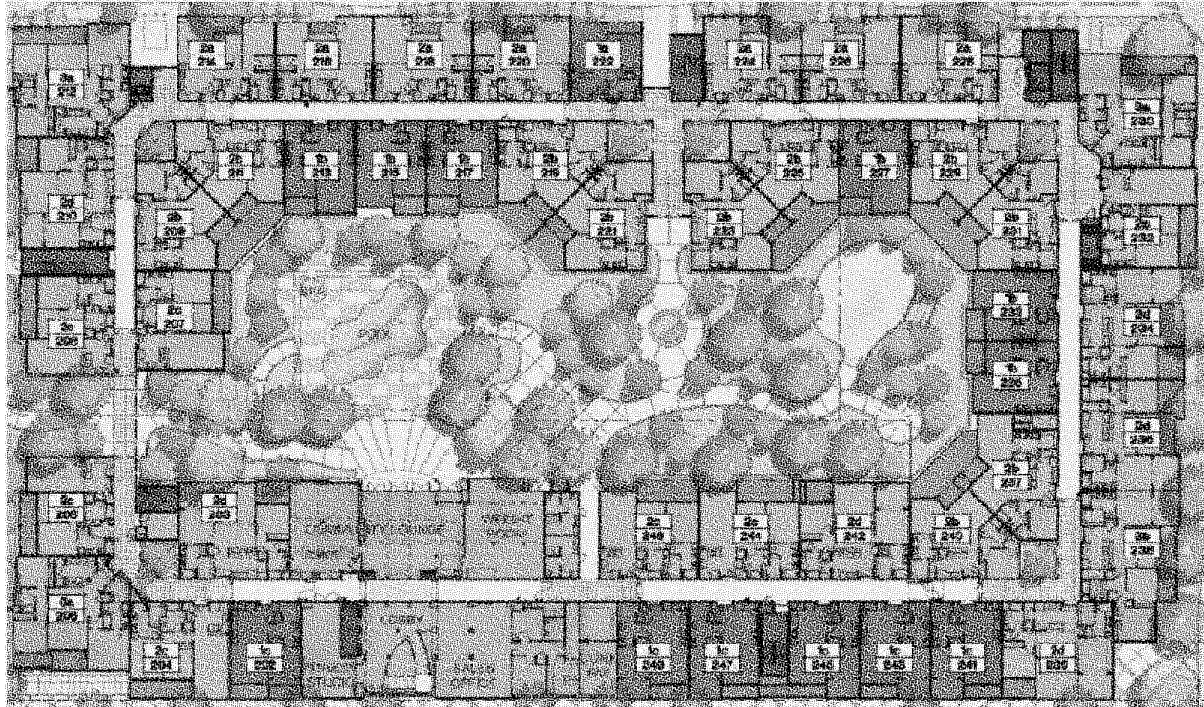
The following points summarizes the overall conclusion for the retail component.

- ☒ The neighborhood is being revitalized and there will be demand for new retail tenants once the impact of the pandemic recedes'
- ☒ The subject has a second-tier location and occupancy and rent will be impacted by a continued increase in supply (the new building under-construction just north of the subject on Avalon Boulevard)
- ☒ The subject is considered to be a stabilized asset as an adjustment for Covid-19 has been made.



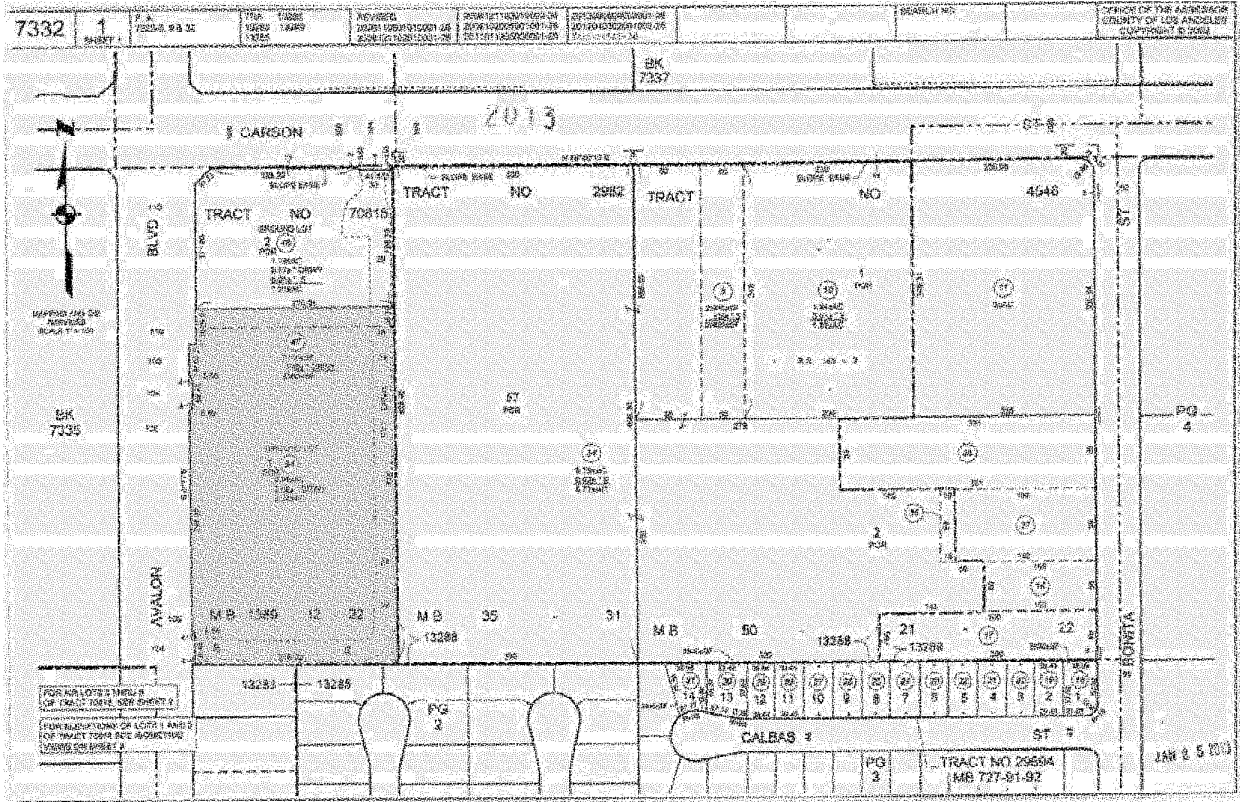
Land and Site Analysis

S I T E P L A N



Site Plan

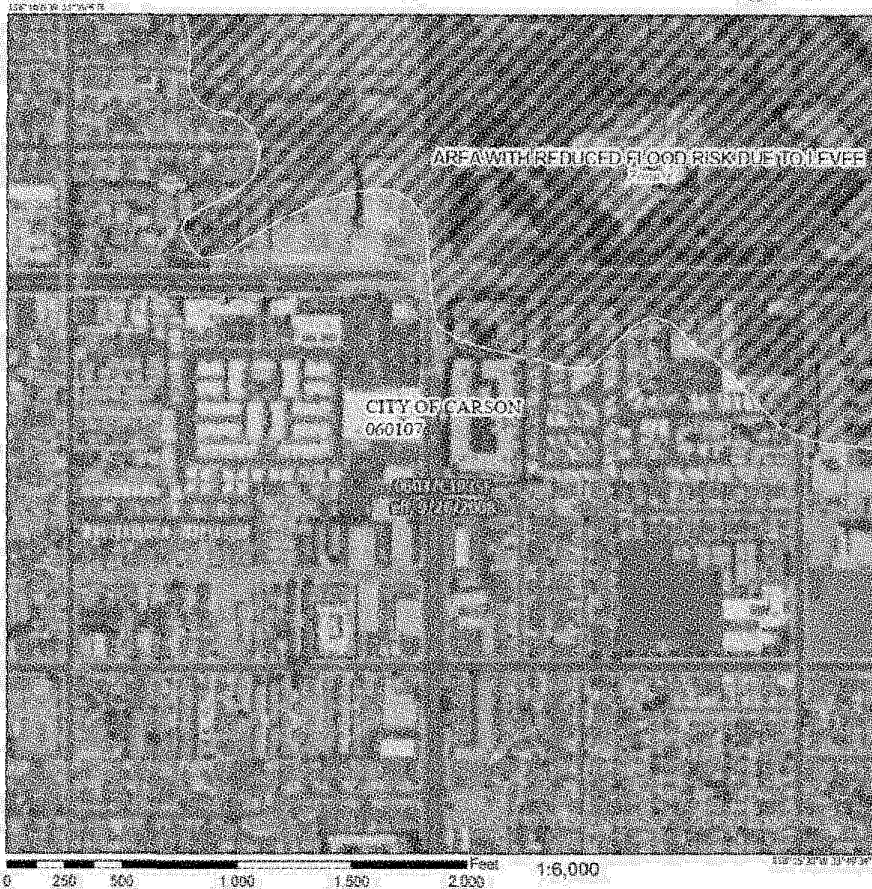




Tax Map



National Flood Hazard Layer FIRMette



Legend

SEE THE REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LOCATION

SPECIAL FLOOD HAZARD AREAS	<ul style="list-style-type: none"> Without Base Flood Elevation (BFE) and/or FFE or Depth Hazard or A or B or C Exclusion Flooding 1% Annual Chance Flood Hazard, Areas of 1% Annual Chance Flood with average depth less than one foot or with drainage areas of less than one square mile Future Conditions, 1% Annual Chance Flood Hazard Area with Reduced Flood Risk due to Elevation Area with Flood Risk due to Elevation
OTHER AREAS OF FLOOD HAZARD	<ul style="list-style-type: none"> Area of Moderate Flood Hazard Extreme Flooding Area of Unmitigated Flood Hazard
GENERAL STRUCTURES	<ul style="list-style-type: none"> Channel, Culvert, or Storm Sewer Dam, Dike, or Floodwall
OTHER FEATURES	<ul style="list-style-type: none"> Coastal Feature with 1% Annual Chance Water Surface Elevation Coastal Trench Base Flood Elevation Line (BFE) Limit of Study Jurisdiction Boundary Coastal Protection Features Public Database Hydrographic Feature
MAP PANELS	<ul style="list-style-type: none"> Digitized Data Available Unmapped

The pin displayed on the map is an approximate point provided by the user and does not represent an authoritative property location.

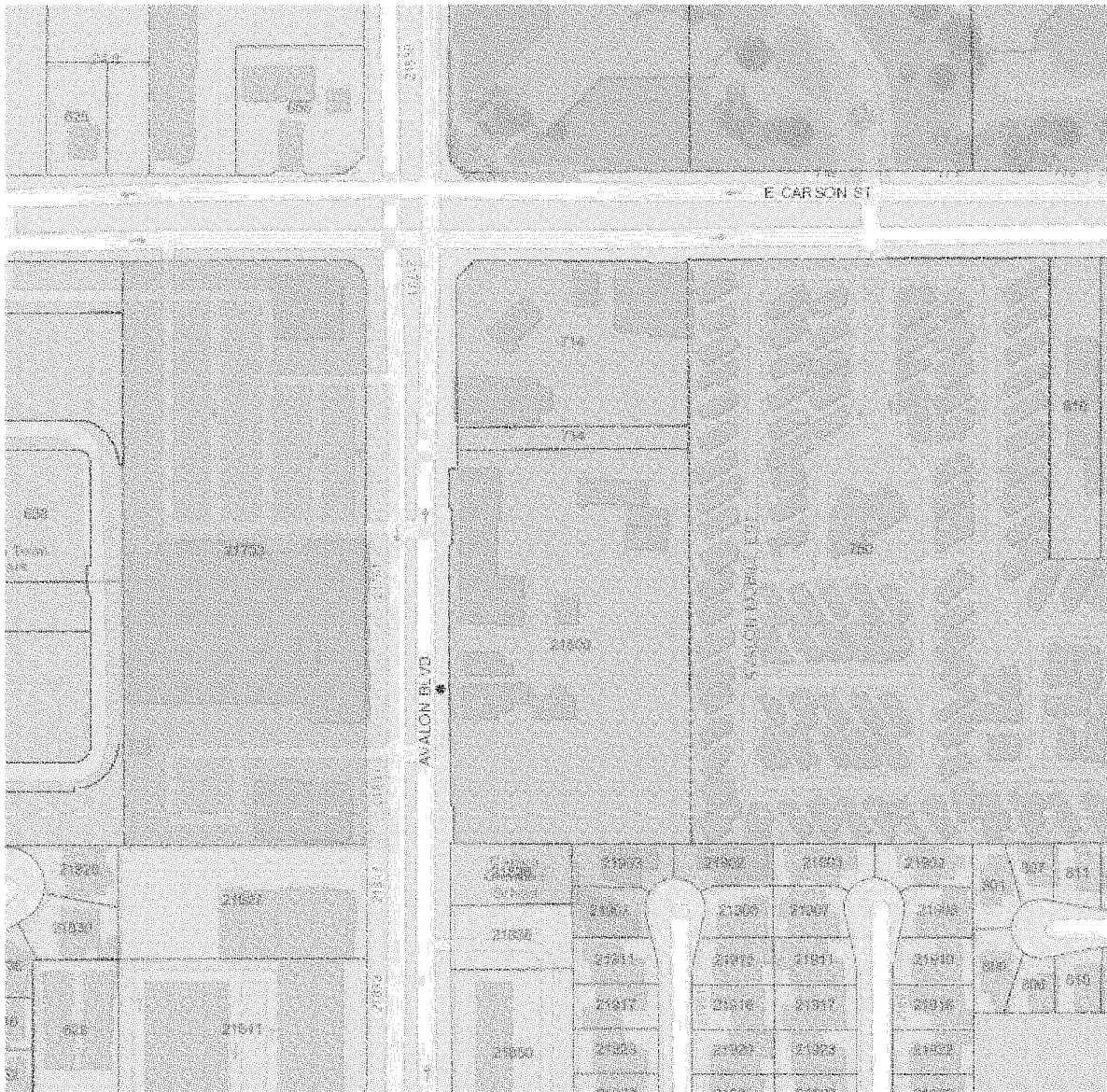
This map complies with FEMA's standards for the use of digital flood maps. It is not valid as described below. The following criteria apply to FEMA's topographic contour standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was reported on 10/09/2020 at 11:18 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

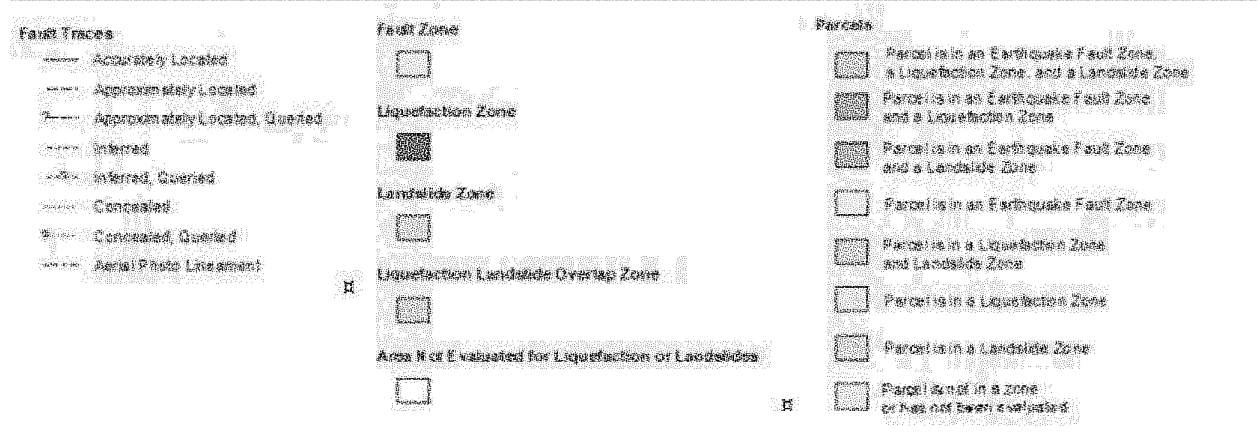
This map image is void if the one or more of the following map elements do not appear: township, range, flood zone, legend, scale bar, map creation date, community identifier, FIRM panel number, and FIRM effective date. Map images for form report and unreviewed areas cannot be used for regulatory purposes.

Flood Map





Alquist-Prilo Map



Alquist-Prilo Legend



Land Parcels				
Parcel Summary	Associated APN(s)	Classification	Land Area (SF)	Land Area (Acres)
Parcel 1	7332-001-047, -058	Primary Site 1	135,119	3.1019
Total Gross Land Area			135,119	3.1019

Compiled by NKF

Land Description	
Total Land Area	3.1019 Acres; 135,119 SF
Usable Land Area	3.1019 Acres; 135,119 SF
Excess Land Area	None
Surplus Land Area	None
Source of Land Area	Public Records

Site Characteristics	
Primary Street Frontage	Avalon Boulevard (490 FF)
Accessibility Rating	Average
Visibility Rating	Average
Shape	Rectangular
Corner	No
Topography	Level
Easements / Encroachments	None noted
Environmental Hazards	None noted

Flood Zone Analysis	
Flood Area Panel Number	06037C1935F
Date	9/26/2008
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance Rate Maps as above the 500-year flood level.
Insurance Required?	No

Utilities	
Utility Services	Water, Sewer, Gas, Electricity

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Easements, Encroachments and Restrictions

We were provided a title policy prepared by First American Title Insurance Company on October 1, 2020. Based upon a review of the title report, there do not appear to be any easements, encroachments, or restrictions other than those that are typical for the property type. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.



Alquist-Priolo Earthquake Fault Zoning Act

Based on the California Department of Conservation website “The Alquist-Priolo Earthquake Fault Zoning (AP) Act was passed into law following the destructive February 9, 1971 Mw 6.6 San Fernando earthquake, which was associated with extensive surface fault ruptures that damaged numerous homes, commercial buildings, and other structures. The AP Act provides a mechanism for reducing losses from surface fault rupture on a statewide basis. The intent of the AP Act is to ensure public safety by prohibiting the siting of most structures for human occupancy across traces of active faults that constitute a potential hazard to structures from surface faulting or fault creep.” Further, “Earthquake Fault Zones are regulatory zones around active faults. On the Earthquake Fault Zone Maps, the zones are shown as shaded yellow polygons that encompass mapped fault traces. The zones vary in width, but average about one-quarter mile wide.”

Environmental Issues

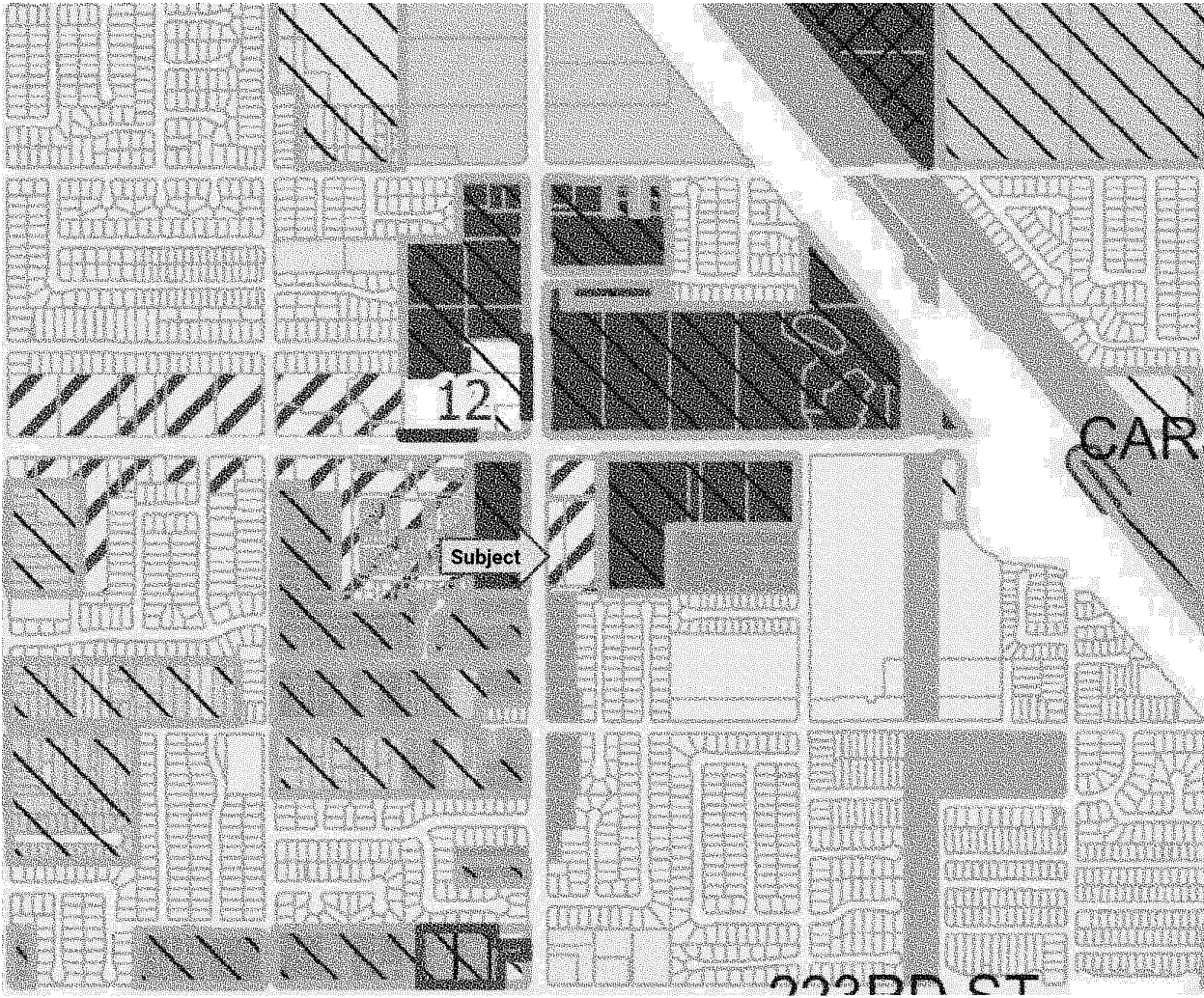
No environmental issues were observed or reported. NKF is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

Conclusion

- ❑ The subject site is generally rectangular with level topography and is functional for any legally probable use.
- ❑ The physical characteristics of the site result in functional utility suitable for a variety of uses including those permitted by zoning and there are reportedly no other restrictions on development.



Zoning and Legal Restrictions



Zoning Map



Zoning Summary	
Category	Description
Zoning Jurisdiction	City of Carson
Zoning Designation	MU-CS
Description	Mixed Use - Carson Street
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Multifamily Residential
Minimum Lot Area	20,000 SF
Maximum Density	55 units per acre
Allowable Building Units	170
Maximum Floor Area Ratio	1.50
Allowable Building Area	202,679
Setback Requirements	
Front	10'
Side	10'
Rear	10'
Building Height Restrictions	3 stories/45' except for affordable or senior households permitted in accordance with CMC 9126.91 or projects that have an exceptional design.
Parking Requirement	Residential: 1 covered parking space for every studio and 2 covered spaces for each unit with one or more bedrooms; 1 guest space for each four units; Commercial: 1 space for each 300 SF of gross floor area
Other	None noted

Compiled by NK F

Conclusion

The subject appears to be a legally conforming use. Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include a mixed-use multifamily complex. We are not aware of any other restrictions on development.



Improvements Analysis

Improvements Description	
Component Structures	
Improvements (Structures)	Primary Use
General Improvement Type	Multifamily
Use Description	Garden/Low-Rise
No. Buildings	1
No. Units	150
GBA (SF)	197,344
Rentable SF	138,249
Average Unit Size (SF)	922
Construction Status	Existing, Stabilized Operations
Construction Class	D
Quality	Average
Current Condition	Good
Age/Life Depreciation Analysis	
Year Built	2013
Year Renovated	None
Actual Age (Yrs.)	7
Economic Life (Yrs.)	55
Effective Age (Yrs.)	5
Remaining Economic Life (Yrs.)	50
Percent Depreciation	9.09%
Floor Area Analysis	
Number of Stories	4
Est. Ground Floor Area (GBA)	49,336
Attributed Site Area (SF)	135,119
Site Coverage	36.5%
Floor Area Ratio (FAR)	1.461
Unit Density (Units/Acre)	48.4
Land to Building Ratio	0.685
Parking Type	Garage
Parking Spaces (including garages when applicable)	487
Parking Ratio Per Unit	3.25
Construction Details	
Foundation	Garden/Low-Rise Reinforced Concrete
Basement	None
Structural Frame	Wood Frame
Exterior Walls	Stucco/Concrete
Windows	Double Pane
Roof	Flat/Pitched



Interior Finish		Garden/Low-Rise
Floors		Carpet, tile, vinyl, concrete
Walls		Painted Drywall
Ceilings		Painted Drywall
Lighting		Standard
Engineering & Mechanical		Garden/Low-Rise
HVAC		Central HVAC
Electrical		Assumed adequate
Plumbing		Assumed adequate
Utility Meters		Individually metered
Elevators		3
Fire Sprinklers		Yes
Improvement Features and Amenities		Garden/Low-Rise
Property Amenities		Swimming pool, spa, BBQ area, billiards lounge, business center, movie screening room, outdoor fireside lounge, outdoor activities, conference room, fitness center, garage parking
Unit Amenities		Stainless steel appliances, Quartz countertops, vinyl plank flooring, in-unit washer/dryer, central HVAC, private patio or balcony

Compiled by NKF

Unit Mix

Unit Mix						
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	
43	1 BR/1 BA - 683 SF	683	29,390	43	100.0%	
43	1 BR Total	683	29,390	43	100.0%	
95	2 BR/2 BA - 979 SF	979	92,980	93	97.9%	
95	2 BR Total	979	92,980	93	97.9%	
12	3 BR/2 BA - 1,323 SF	1,323	15,879	12	100.0%	
12	3 BR Total	1,323	15,879	12	100.0%	
150	Totals		138,249	148		
	Averages	922			98.7%	

Compiled by NKF



Property Condition

Down Units

As of the date of inspection, the subject did not include any down units.

Recent Renovations

The subject was built in 2013 and has not been renovated.

Deferred Maintenance

Our observation of the property indicated no significant items of deferred maintenance.

Other Property Considerations

Functional Utility

Based on our inspection and consideration of its current and/or future use as well as review of individual floor plans and the overall complex, there do not appear to be any significant items of functional obsolescence.

The subject is comprised of one, four-story building with a total gross building area of 197,344 square feet (138,249 square feet of rentable residential use and 12,706 square feet of ground floor retail). The unit mix includes (43) one-bedroom, (95) two-bedroom, and (12) three-bedroom units.

Project amenities include a swimming pool, spa, BBQ area, billiards lounge, business center, movie screening room, outdoor fireside lounge, conference room, and a fitness center. Parking is provided by 487 total garage spaces ((299 allocated to the residential, 151 allocated to the retail portion, and 37 extra spaces). Units include central HVAC, stainless steel appliances, quartz countertops, vinyl plank flooring, in-unit washer/dryer, and a private patio or balcony.

The design of the building is a “U” shaped with an open-air courtyard. The parking garage is accessed via two driveways on Avalon Boulevard. All units are accessed via interior hallways.

A description of the ground floor commercial space was presented in the Retail Component section.

ADA Compliance

Based on our observation as well as any information provided, no ADA compliance issues were noted. Further, given the age of construction the subject would have met these requirements.

Environmental Assessment

We were not provided a Phase I Environmental Assessment. We did not observe any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. However, it is noted that



we did not search for such materials and are not qualified to detect such materials. The existence of said hazardous materials (if any) may have an effect on the value of the property. Therefore, for the purpose of this appraisal, we have specifically assumed that the property is not affected by any hazardous materials that may be present on or in the improvements. We strongly recommend that a qualified environmental engineering firm be retained by the Client prior to making a business decision.

Personal Property

Certain items in apartment projects are sometimes considered personal property, such as furniture, fixtures or equipment. These items include kitchen appliances (stove, refrigerator and dishwasher) in each unit and various items in the common areas including miscellaneous maintenance tools, pool furniture, leasing office furniture, recreational room and clubhouse furniture, and various exercise machines. The apartment units are rented on an unfurnished basis. However, typically personal property is included in the sale of multifamily apartment complexes. The personal property items contained in the subject are not considered to contribute significantly to the overall value of the real estate.

Conclusion

- The improvements are of average quality construction and are in good condition.
- The improvements were constructed in 2013.
- The improvements are functional for the existing use.
- The common area amenity package at the subject exceeds most competitors in the market.
- Overall, the improvements are well suited for the existing use.



Real Estate Taxes

Based on the Legislative Analyst’s Office (LAO) of the State of California real estate taxes are based on property value in two basic components:

- The 1 Percent Rate.** The largest component of most property owners’ annual property tax bill is the 1 percent rate—often called the 1 percent general tax levy or countywide rate. The Constitution limits this rate to 1 percent of assessed value...The 1 percent rate is a general tax, meaning that local governments may use its revenue for any public purpose.
- Voter-Approved Debt Rates.** Most tax bills also include additional ad valorem property tax rates to pay for voter-approved debt. Revenue from these taxes is used primarily to repay general obligation bonds issued for local infrastructure projects, including the construction and rehabilitation of school facilities. Most local governments must obtain the approval of two-thirds of their local voters in order to issue general obligation bonds repaid with debt rates. General obligation bonds for school and community college facilities, however, may be approved by 55 percent of the school or community college district’s voters. Local voters do not approve a fixed tax rate for general obligation bond indebtedness. Instead, the rate adjusts annually so that it raises the amount of money needed to pay the bond costs.

Based on the LAO, “The process that county assessors use to determine the value of real property was established by Proposition 13. Under this system, when real property is purchased, the county assessor assigns it an assessed value that is equal to its purchase price, or “acquisition value.” Each year thereafter, the property’s assessed value increases by 2 percent or the rate of inflation, whichever is lower. This process continues until the property is sold, at which point the county assessor again assigns it an assessed value equal to its most recent purchase price. In other words, a property’s assessed value resets to market value (what a willing buyer would pay for it) when it is sold.”

The following table is a summary of the most recent assessed information and associated taxes for the subject.



Taxes and Assessments								
Tax Year 2019		Assessed Value			Tax Rates		Taxes and Assessments	
Tax ID	Land	Improvements	Total	Land & Improvements	Ad Valorem Taxes	Direct Assessments	Total	
7332-001-047	\$22	\$0	\$22	1.1836%	\$0.26	\$166	\$166	
7332-001-048	\$22	\$0	\$22	1.1836%	\$0.26	\$158	\$158	
7332-001-050	\$22	\$0	\$22	1.1836%	\$0.26	\$158	\$158	
7332-001-052	\$22	\$0	\$22	1.1836%	\$0.26	\$158	\$158	
7332-001-054	\$870,190	\$7,407,231	\$8,277,421	1.1836%	\$97,970.81	\$2,323	\$100,294	
7332-001-055	\$785,293	\$6,775,813	\$7,561,106	1.1836%	\$89,492.57	\$10,229	\$99,722	
7332-001-056	\$286,432	\$3,008,524	\$3,294,956	1.1836%	\$38,998.80	\$3,491	\$42,490	
7332-001-057	\$509,379	\$4,510,134	\$5,019,513	1.1836%	\$59,410.50	\$4,412	\$63,823	
7332-001-058	\$838,354	\$32,579,085	\$33,417,439	1.1836%	\$395,525.80	\$38,651	\$434,177	
	\$3,289,736	\$54,280,787	\$57,570,523	1.1836%	\$681,399.53	\$59,746	\$741,146	

Compiled by NKF

Real estate taxes in the valuation are based on the appropriate methodology required by California tax law and typical underwriting methods. Specifically, based upon a review of real estate tax assessments after a property purchase, the assessor uses the actual sale price more than 90 percent of the time as the new basis. Most investors also model pro-forma taxes based upon their acquisition price. The definition of market value used in this appraisal is based on the premise the subject is sold at the concluded value. Therefore, the value conclusion by each approach, where appropriate, is used as the real estate tax basis in the pro-forma estimate.



Highest and Best Use

As Vacant

Legally Permissible

The site is zoned MU-CS which allows for multifamily residential and retail. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

Physically Possible

The subject site contains 135,119 square feet (3.102 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Financially Feasible

Of the legally permissible and physically possible uses, only multifamily use appears most probable based on observation of surrounding properties as well as the location. Given the underlying market conditions and activity, it appears that a multifamily development would have a sufficient degree of feasibility.

The following are relevant points related to the subject's market segment:

- The subject submarket's occupancy levels are declining, and rents are stable.
- There have been several recent sales of similar properties in this market indicating good investor demand.
- Development of new apartment buildings continues in the wider Southern California market as there is a general consensus from the investment community that the region is under-served relative to good quality rental housing. This conclusion is supported by two developments in the immediate market which are in the initial lease-up phase.
- New construction will likely pause until it is clear the impacts of Covid-19 begin to dissipate as the excessive supply and pandemic are negatively impacting market performance



Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is a multifamily development. The associated risk is typical and market conditions appear to be supportive.

Highest and Best Use Conclusion -- As Vacant

The highest and best use of the subject as though vacant is the development of a mixed-use multifamily and retail project.

This conclusion is supported by several new apartment buildings in the competitive market.

As Improved

Legally Permissible

The existing multifamily improvements appear to be legally conforming to zoning.

Physically Possible

The current improvements conform to the physical characteristics of the site. Therefore, continued multifamily use of the property is reasonably probable and appropriate.

Financially Feasible

Financial feasibility focuses on positive and excess returns from the improved property. In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation of the use. This is demonstrated in the income capitalization approach by the fact that a positive income stream can be generated.

Maximally Productive

The existing multifamily improvements are legally permissible, physically possible, and financially feasible. The concluded value as though improved exceeds the value of the underlying land and removal of the improvements for redevelopment or substantial conversion to an alternative use is not indicated based on current neighborhood trends. Given no alternatives, the maximally productive use of the property is consistent with the existing multifamily development.

Highest and Best Use – As Improved

Therefore, the highest and best use of the subject as improved is the existing mixed-use project. Market and economic conditions are supportive of this continued use.



Appraisal Methodology

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

Income Capitalization Approach

The income capitalization approach reflects the subject’s income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value	
Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by NKF

The cost approach was not used because the age and condition of the improvements makes depreciation highly speculative. More significantly, however, market participants considering properties like the subject do not consider the cost approach. The exclusion of this approach is not considered to impact the reliability of the appraisal. Although we did not include a Cost Approach, we included an insurable valuation calculation as requested by the client.

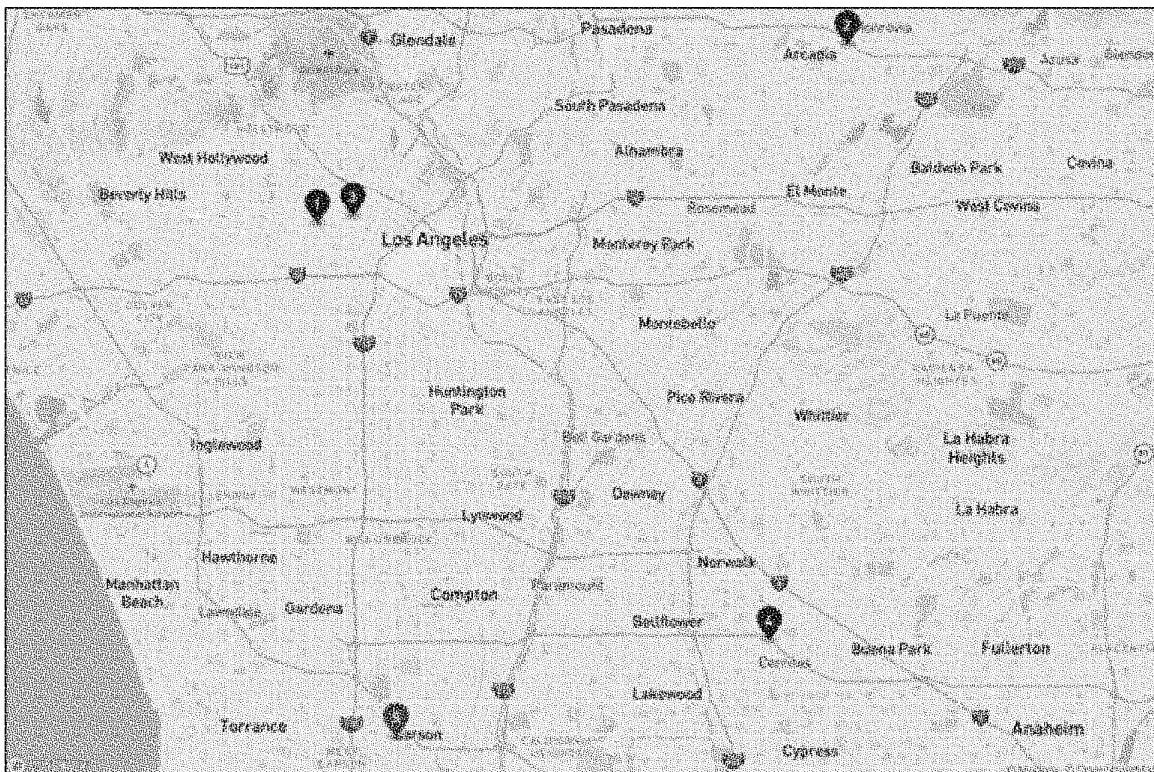




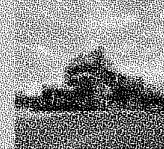
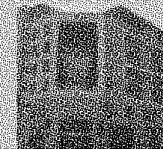

Sales Comparison Approach

The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value bracket and then a single value indication.

The unit of comparison applied in this sales comparison analysis is price per unit as it mirrors the primary comparison method used by market participants.



Comparable Sales Summary					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
					
Property Name	Renaissance at City Center	The Pearl on Wilshire	Areum Apartments	Next on Sixth	Avalon Cerritos
Address	21800 Avalon Boulevard	687 South Hobart	1110 South 5th Avenue	620 South Virgil Avenue	12651 Artesia Boulevard
City, State	Carson, CA	Los Angeles, CA	Monrovia, CA	Los Angeles, CA	Cerritos, CA
Land Size	3.10 Acres	2.22 Acres	2.86 Acres	1.83 Acres	2.39 Acres
Rentable Area (SF)	138,249 SF	215,556 SF	132,555 SF	263,078 SF	108,000 SF
Number of Apt. Units	150	346	154	398	132
Average Unit Size (SF)	922 SF	623 SF	861 SF	661 SF	818 SF
Year Built (Renovated)	2013	2018	2017	2017	2017
Occupancy/Owner Occ.	96%	98%	93%	0%	90%
Construction		Wood frame	Wood frame	Wood frame	Wood frame
Condition	Good	Good	Good	Good	Good
Buyer	--	Wilshire Hobart 377 Project, LLC	Monrovia Apartment EPF I, LLC	EQR-Next on Sixth LP	AVB Cerritos LLC
Seller	--	Hankey Investment	Lincoln Monrovia, LLC	6th Virgil LLC	Sage Apartments LLC
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Competitive Class	Class A	Class A	Class A	Class A	Class A
Transaction Status	--	Closed	Closed	Closed	Closed
Transaction Date	--	Dec-19	Nov-19	Aug-19	May-19
Price	--	\$170,870,000	\$75,000,000	\$189,000,000	\$60,500,000
Operating Status at Sale		Stabilized Operations	Stabilized Operations	Not Applicable	Stabilized Operations
Price per SF	--	\$792.69	\$565.80	\$718.42	\$560.19
Price per Unit	--	\$493,844	\$487,013	\$474,874	\$458,333
NOI/SF	\$20.13	\$33.29	N/A	\$30.89	\$23.81
NOI/Unit	\$18,550	\$20,741.45	N/A	\$20,419.60	\$19,479.17
Cap Rate	--	4.20%	N/A	4.30%	4.25%

Compiled by NKF





Comparable One



Comparable Two



Comparable Three



Comparable Four



Analysis of Improved Comparable Data

Due to COVID-19, all comparables have been adjusted downward 5% for superior market conditions at the time of sale. Market conditions are now considered inferior as a number of transactions have fallen out of escrow; market participants have noted the value loss is generally between 5% to 10%. Only a moderate adjustment has been applied to the comparables as the subject includes lower priced units.

Despite COVID-19, the demand for apartment investments have remained strong and there is downward pressure on capitalization rates as property owners took projects off market due to the initial panic over the potential impact. Occupancy rates and rents have been steady to improving for suburban apartments and values have been minimally impacted.

Comparable One

The Pearl on Wilshire is a 2017-built, 346-unit, 7-story apartment project consisting of studio, one-bedroom, and two-bedroom units. Project amenities include a club room, zen deck outdoor entertainment area, conference/meeting area, business center, lounge area with firepits and bocce ball court, BBQ facilities, outdoor pool and spa, dog grooming area, and fitness center. Pets are allowed with no size restrictions. Unit amenities include stainless steel appliances, gas range, quartz conertops, custom backsplash, designer bathrooms with quartz counters, oversized soaking tubs, smart thermostats, and in-unit washer/dryer. Select units also include high ceilings, panoramic views, and oversized balconies. It is currently 98% occupied at the time of sale. The current owner is Hankey Investment Company who purchased the property in December of 2019 for \$170,870,000, or \$493,844 per unit. This purchase only represented a 40% partial interest as Hankey Investment Company already owned the other 60% (this was a joint development with City View who sold their interest to Hankey). The 40% interest which transferred was technically acquired by two sister companies to Hankey. The implied 100% price was considered to be market-based as the property was officially marketed by IPA and two other brokerage houses also provided BOVs. The buyer reported that they matched actual offers from three other competing firms as the full interest was exposed to the market.

Upward adjustments were applied for economic characteristics as the subject includes three-bedroom units and for smaller average unit size in comparison to the subject. Downward adjustments were applied for superior age/condition and superior location in Downtown Los Angeles. After consideration of the individual elements of comparison, a net downward property adjustment was required.

Comparable Two

Areum Apartments is identified as a 2017-built, 154-unit, three-story apartment in the City of Monrovia and includes studios, one-bedroom, and two-bedroom units. Project amenities include controlled access, electric vehicle charging stations, social lounge, swimming pool, spa, fitness center, fireside lounge, BBQ area with outdoor television, greenbelt, garage parking, and on-site



retail. Unit amenities include stainless steel appliances, quartz countertops, wood-look plank flooring, in-unit washer/dryer, walk-in closet, faux wood blinds, and a private patio or balcony. The property sold in November of 2019 for \$75,000,000, or 487,013 per unit. It was 93% occupied at the time of sale and the overall pro-forma capitalization rate equates to 3.90%.

A downward adjustment was applied for superior age/condition in comparison to the subject and for superior Monrovia location. After consideration of the individual elements of comparison, a net downward property adjustment was required.

Comparable Three

Next on 6th is a 2017-built, 398-unit, mixed-use project in the Westlake neighborhood in the City of Los Angeles. Regional access is provided by the 101, 110, and 10 Freeway and the Metro Red and Purple Line. The unit mix is comprised of studios, one-bedroom, and two-bedroom units. The property includes approximately 36,000 square feet of ground floor retail including a Target, CVS Pharmacy, and Starbucks. Units feature stainless steel appliances, quartz countertops, electronic key entry, wide-plank flooring, and a private patio or balcony. Project amenities include controlled access, EV charging stations, clubrooms, arcade and game room, golf simulator room, grilling area, pet wash station, dry cleaning service, rooftop sundecks, business center, spa, swimming room, massage room, fitness center, conference room, rooftop dog run, subterranean parking, and ground-floor retail. The property sold as in August of 2019 for \$18,900,000, or \$474,874 per unit. This was an off-market transaction. The capitalization rate reported was 4.30% based on income in place.

An upward adjustment was applied for smaller average unit size in comparison to the subject. Downward adjustments were applied for superior age/condition and superior location in Downtown Los Angeles. After consideration of the individual elements of comparison, a net downward property adjustment was required.

Comparable Four

Avalon Cerritos is a 2017-built, 132-unit apartment at 12651 Artesia Boulevard. The property was reportedly in good condition and includes studio, one-bedroom, and two-bedroom units. Property amenities include gated access, a fitness center, BBQ grill, swimming pool, business center, lounge area with billiards and kitchen, and covered parking. Unit amenities include stainless steel appliances, hard-surface flooring, walk-in closets, in-unit washer/dryer, quartz countertops, and a private patio/balcony. The property sold in May of 2019 for \$60,500,000 or \$458,333 per unit. It was 90% occupied at the time of sale and the reported overall capitalization rate equates to 4.25% based on income in-place.

An upward adjustment was applied for smaller average unit size and lack of a retail component. A downward adjustment was applied for superior age/condition in comparison to the subject.



After consideration of the individual elements of comparison, a net downward property adjustment was required.

Based on our comparative analysis, the following table summarizes the adjustments warranted to each comparable.

Comparable Sales Adjustment Grid					
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Property Name	Renaissance at City Center	The Pearl on Wilshire	Areum Apartments	Next on Sixth	Avalon Cerritos
Address	21800 Avalon Boulevard	687 South Hobart	1110 South 5th Avenue	620 South Virgil Avenue	12651 Artesia Boulevard
City	Carson, CA	Los Angeles, CA	Monrovia, CA	Los Angeles, CA	Cerritos, CA
Land Size	3.10 Acres	2.22 Acres	2.86 Acres	1.83 Acres	2.39 Acres
Size (Rentable Area)	138,249 SF	215,556 SF	132,555 SF	263,078 SF	108,000 SF
Number of Apt. Units	150	346	154	398	132
Average Unit Size (SF)	922 SF	623 SF	861 SF	661 SF	818 SF
Year Built (Renovated)	2013	2018	2017	2017	2017
NOI/Unit	\$18,550	\$20,741	N/A	\$20,420	\$19,479
Transaction Type	--	Closed	Closed	Closed	Closed
Transaction Date	--	Dec-19	Nov-19	Aug-19	May-19
Actual Sale Price	--	\$170,870,000	\$75,000,000	\$189,000,000	\$60,500,000
Price per Unit	--	\$493,844	\$487,013	\$474,874	\$458,333
Occupancy	96%	98%	93%	N/A	90%
Cap Rate	--	4.20%	N/A	4.30%	4.25%
Transaction Adjustments					
Property Rights		0%	0%	0%	0%
Financing		0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%
Market Conditions (Time)	10/28/2020	-5%	-5%	-5%	-5%
Subtotal		-5%	-5%	-5%	-5%
Subtotal Price per Unit		\$469,152	\$462,662	\$451,131	\$435,417
Property Adjustments					
Location		-10%	-5%	-10%	0%
Average Unit Size (SF)		10%	0%	10%	5%
Age/Condition		-5%	-5%	-5%	-5%
Parking		0%	0%	0%	0%
Features/Amenities		0%	0%	0%	0%
Quality		0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%
Retail		0%	0%	0%	5%
Subtotal		-5%	-10%	-5%	5%
Gross Adjustment		30%	15%	30%	20%
Overall Adjustment		-10%	-15%	-10%	0%
Indicated Price per Unit		\$445,694	\$416,396	\$428,574	\$457,188

Compiled by NKF

Price per Unit Conclusion

To arrive at an indication of value by price per unit, primary emphasis was placed on all comparables equally. We have concluded to a figure near the adjusted average. Based on the preceding analysis, the value indication by price per unit is as follows:



Multifamily Sales Adjustment Summary

Price per Unit	Low	High	Average
Unadjusted Range	\$458,333	\$493,844	\$478,516
Adjusted Range	\$416,396	\$457,188	\$436,963
Concluded Price per Unit Indication			\$420,000

Compiled by MKF

Sales Comparison Approach Conclusion

Sales Comparison Approach Conclusion

Reconciliation of Price per Unit Indication	Value Indication
Adjusted Value Range - Low	\$416,396
Adjusted Value Range - High	\$457,188
Reconciled As Stabilized Value - Price per Unit	Effective Date: 10/28/2020 \$419,000
Subject Apt. Units	150
Reconciled As Stabilized Value - Price per Unit Analysis	\$62,850,000
Reconciled As Stabilized Value - Sales Comparison Approach	Effective Date: 10/28/2020 \$62,850,000

Value Indications

As Is	Value Indication
Reconciled As Stabilized Value	Effective Date: 10/28/2020 \$62,850,000
Retail Component	\$3,180,000
As Is Value	Effective Date: 10/28/2020 \$66,030,000
Rounded	\$66,000,000

Compiled by MKF



Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized only direct capitalization because investors and market participants typically rely more on this method.

Rent Roll / Tenant Overview

A summary rent roll for the property is shown below, based on our review of the owner's rent roll. Market rent will be developed below.

Unit Mix		Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Asking Rent	Typical Recent Leases	Market Rent	Market Rent PSF
43	1 BR/1 BA - 683 SF	683	29,390	43	100.0%	\$2,273	\$2,710	\$2,219	\$2,400	\$3.51
43	1 BR Total	683	29,390	43	100.0%	\$2,273	\$2,710		\$2,400	\$3.51
95	2 BR/2 BA - 979 SF	979	92,980	93	97.9%	\$2,771	\$3,062	\$2,723	\$3,050	\$3.12
95	2 BR Total	979	92,980	93	97.9%	\$2,771	\$3,062		\$3,050	\$3.12
12	3 BR/2 BA - 1,323 SF	1,323	15,879	12	100.0%	\$3,439	\$3,615	\$3,032	\$3,500	\$2.65
12	3 BR Total	1,323	15,879	12	100.0%	\$3,439	\$3,615		\$3,500	\$2.65
150	Totals		138,249	148						
	Averages	922			98.7%	\$2,681	\$3,005		\$2,900	\$3.15

Compiled by NKF

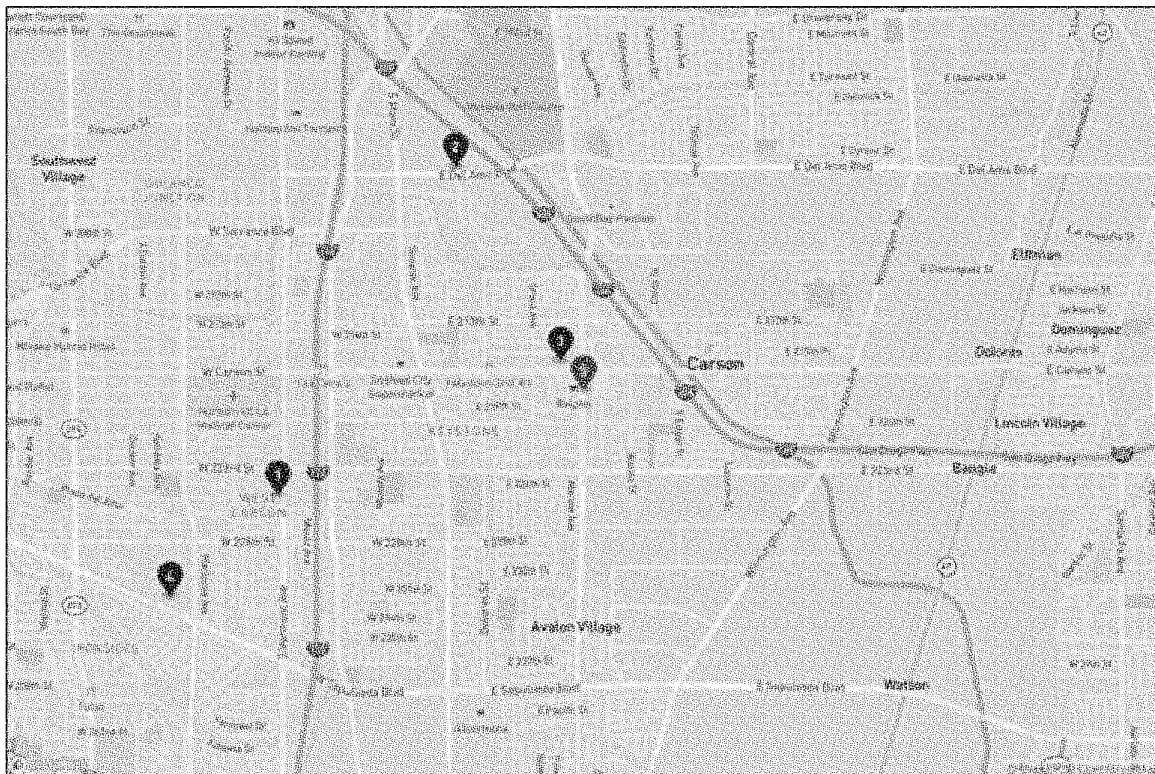
- As of the date of inspection and the rent roll provided there are two vacant units (2BR units).
- There have been (14) 1BR recent leases since April of 2020 ranging from \$2,080 to \$2,375.
- There have been (24) 2BR recent leases since April of 2020 ranging from \$2,595 to \$2,995.
- There have been (3) 3BR recent leases since April of 2020 ranging from \$2,999 to \$3,099.
- The subject includes one model unit (2BR) and one employee unit (2BR) that receives free rent.



Market Rent Analysis

In estimating market rent for the subject property, we considered data and opinions from the following:

- Leasing activity with competing properties; and
- Market area leasing trends



Comparable Map

No.	Name	Address
Subject	Renaissance at City Center	21800 Avalon Boulevard, Carson, CA 90745
1	Alta South Bay Apartments	22433 South Vermont Avenue, Torrance, CA
2	Evolve South Bay Apartments	285 E Del Amo Boulevard, Carson, CA
3	Union South Bay Apartments	615 East Carson Street, Carson, CA
4	Seacrest Homes Apartments	1311 West Sepulveda Boulevard, Torrance, CA

Compiled by NKF





Comparable One



Comparable Two



Comparable Three



Comparable Four



Analysis of Comparable Properties

Comparable Mid/High Rise Rentals Summary									
No.	Property Name	No. Units Avg. Unit SF	Year Built Occupancy	Unit Type	Size (SF)	Rent	\$/SF	Group for Comparison	Comments
1	AltaSouth Bay Apartments	257	2015	1 BR/1 BA	725	\$2,252	\$3.11	1 BR	Similar overall
		886	95%	2 BR/2 BA	1,069	\$2,807	\$2.63	2 BR	
				3 BR/2 BA	1,370	\$3,362	\$2.45	3 BR	
2	Evolve South Bay Apartments	300	2021	1 BR/1 BA	843	\$2,557	\$3.03	1 BR	Superior overall
		967	7%	1 BR/1 BA	1,135	\$3,130	\$2.76	1 BR	
				2 BR/2 BA	1,061	\$2,930	\$2.76	2 BR	
				2 BR/2 BA	1,224	\$3,830	\$3.13	2 BR	
				3 BR/2 BA	1,248	\$3,545	\$2.84	3 BR	
3 BR/3 BA	1,239	\$3,880	\$3.13	3 BR					
3	Union South Bay Apartments	357	2020	0 BR/1 BA	539	\$2,040	\$3.78		Superior overall
		918	13%	1 BR/1 BA	745	\$2,505	\$3.36	1 BR	
				2 BR/2 BA	1,181	\$3,228	\$2.73	2 BR	
4	Seacrest Homes Apartments	352	2018	2 BR/2 BA	1,038	\$2,725	\$2.63	2 BR	Superior overall
		1,067	85%	3 BR/2 BA	1,423	\$3,550	\$2.49	3 BR	
Competitive Set Totals by Unit Type		Unit Size Range		Average	Unit Rent Range		Average	Rent / SF Range	Average
1 BR		725 - 1,135 SF		862 SF	\$2,252 - \$3,130		\$2,611	\$2.76 - \$3.36/SF	\$3.06
2 BR		1,038 - 1,224 SF		1,115 SF	\$2,725 - \$3,830		\$3,104	\$2.63 - \$3.13/SF	\$2.77
3 BR		1,239 - 1,423 SF		1,320 SF	\$3,362 - \$3,880		\$3,584	\$2.45 - \$3.13/SF	\$2.73

Compiled by NKF

Comparable One

This comparable is identified as Alta South Bay Apartments, a 2015-built, 257-unit, six-story apartment in the City of Torrance and includes one-bedroom, two-bedroom, and three-bedroom units. Project amenities include gated access, club room, bar area for events, fitness center, swimming pool, cyber cafe/conference room, gas grills, firepits, movie screening room, game room, half-court basketball, and covered/surface parking. Unit amenities include stainless steel appliances, quartz countertops, vinyl plank flooring, in-unit washer/dryer, faux wood blinds, ceiling fans, and a private patio/balcony. It is currently 95% occupied and lease terms are typically 7 to 15 months. Management is not offering any concessions.

The overall appeal of this asset is negatively impacted by the non-conforming uses along major street.

Comparable Two

This comparable is identified as Evolve South Bay Apartments, an under-construction, 300-unit, four-story apartment project. The unit mix includes one-bedroom, two-bedroom, and three-bedroom units. Project amenities include controlled access, a swimming pool, spa, cabanas, fitness studio, yoga room, running track, clubhouse with a kitchen, co-working space with private offices, outdoor media lounge, social lounge with firepits, playground, BBQ grills, bocce ball court, dog park, and covered/surface parking. Unit amenities include stainless steel appliances, quartz countertops, wood-style flooring, in-unit washer/dryer, ceiling fans, and a private patio/balcony. Lease terms are typically 12 to 18 months. Management is offering one month of free rent on a 13-month lease.



The overall appeal of this asset from a rental perspective is negatively impacted by the non-conforming uses on a major street (vacant land, utility easement, and Porsche Experience Center.

Comparable Three

This comparable is identified as Union South Bay, a 2020-built, 357-unit, five-story apartment project. The unit mix includes studios, one-bedroom, and two-bedroom units. Project amenities include on-site retail, a clubhouse lounge with big screens and billiards, entertainment kitchen, conference room, indoor/outdoor bar, fitness center, rooftop deck with BBQ grills, yoga lawn, dog wash station, swimming pool, spa, and private parking garage. Unit amenities include high ceilings, wood-style plank flooring, quartz countertops, stainless steel appliances, in-unit washer/dryer, walk-in closets, and private patio or balcony. It is currently 13% occupied and lease terms are typically 12 to 15 months. Management is offering up to four weeks of free rent on select units.

This is a newer building which is one-half block north of the subject and all things equal (i.e. unit size) should achieve a higher rent. This is partially offset by the fact this asset is in lease-up and rents are not maximized.

Comparable Four

This comparable is identified as Seacrest Homes Apartments, a 2018 built, 352-unit, six story apartment project in the City of Torrance and includes two-bedroom and three-bedroom units. Project amenities include a rooftop deck with BBQ grills, swimming pool, spa, cabanas, outdoor seating, indoor/outdoor dining community room, fitness center, yoga studio, basketball court, coffee lounge, conference room, private offices, electric vehicle charging stations, and controlled access parking. Unit amenities include high ceilings, stainless steel appliances, walk-in closets, quartz countertops, hardwood-style flooring, in-unit washer/dryer, tech desk, and private patio or balcony. It is currently 85% occupied and lease terms are typically 6 to 24 months. Management is not offering any concessions.

The overall appeal of this asset is negatively impacted by the massing of the building which atypical for the market. Access to the facility is via a cul-de-sac and uses along the street frontage are newer supporting commercial retail.

Subject Leasing

The following items were noted by the on-site leasing staff during the completion of this appraisal

- §1 The property had historical “led” the market as it was achieving the highest rent, but the new developments are now higher and the subject will likely be “pulled” up once they stabilize
- §2 They used conservative rents to maintain occupancy while the new buildings were in the lease-up stage



- ❖ The recent three-bedroom leases were done at below market rates as there are some unique issues with the leases. Starting rent today would be at \$3,400 or higher.

Individual Unit Type Analysis

The following is a general analysis of the subject rents

- ❖ The high occupancy at the subject would indicate contract rents are slightly below market (i.e. a stabilized vacancy rate is higher)
- ❖ The rents at the subject are at the lower end of the range of the newer buildings in the competitive market, which indicates increases could occur
- ❖ Three of the four comparables are still in the lease-up phase and rents are generally lower or concessions increased to maintain absorption. This also supports upward income potential once these units are absorbed and the buildings achieve stabilized occupancy

Unit Rent Adjustment Summary and Conclusions								
Subject Unit Type	Subject Asking Rates	Average Contract	Typical Recent Leases	Comparables Indicators			NKF Market Rent Estimate	
				Min	Max	Average	\$/SF	\$/Unit
1 BR/1 BA - 683 SF	\$2,710	\$2,273	\$2,219	\$2,252	\$3,130	\$2,611	\$3.51	\$2,400
2 BR/2 BA - 979 SF	\$3,062	\$2,771	\$2,723	\$2,725	\$3,830	\$3,104	\$3.12	\$3,050
3 BR/2 BA - 1,323 SF	\$3,615	\$3,439	\$3,032	\$3,362	\$3,880	\$3,584	\$2.65	\$3,500

Compiled by NKF

1 BR Units

Summary of Asking Rental Rates and Market Rent Conclusions			
1 BR Units			
Property	Unit Type - Size	Asking Rent	\$/SF
1 - Alta South Bay Apartments	1 BR/1 BA - 725 SF	\$2,252	\$3.11
3 - Union South Bay Apartments	1 BR/1 BA - 745 SF	\$2,505	\$3.36
2 - Evolve South Bay Apartments	1 BR/1 BA - 843 SF	\$2,557	\$3.03
2 - Evolve South Bay Apartments	1 BR/1 BA - 1,135 SF	\$3,130	\$2.76
NKF Market Rent Projection	Unit Type - Size	Market Rent	\$/SF
	1 BR/1 BA - 683 SF	\$2,400	\$3.51

Compiled by NKF

- ❖ The subject includes (43) 1BR units ranging in size from 576 to 719 square feet.
- ❖ There have been (14) 1BR recent leases since April of 2020 ranging from \$2,080 to \$2,375 with an average of \$2,219.
- ❖ Market rent is concluded at \$2,400. This is supported by recent leasing at the subject and the comparable properties in the subject’s local market. Specifically, a figure just above the high end of the recent leases has been used as this is still below the majority



of the comparables and market conditions are expected to improve. Further, the prior rates were artificially low in reaction to the lease-up of the two new buildings.

☞ This conclusion also takes into consideration the potential continued impact of Covid-19.

2 BR Units

Summary of Asking Rental Rates and Market Rent Conclusions			
2 BR Units			
Property	Unit Type - Size	Asking Rent	\$/SF
4 - Seacrest Homes Apartments	2 BR/2 BA - 1,038 SF	\$2,725	\$2.63
1 - Alta South Bay Apartments	2 BR/2 BA - 1,069 SF	\$2,807	\$2.63
2 - Evolve South Bay Apartments	2 BR/2 BA - 1,061 SF	\$2,930	\$2.76
3 - Union South Bay Apartments	2 BR/2 BA - 1,181 SF	\$3,228	\$2.73
2 - Evolve South Bay Apartments	2 BR/2 BA - 1,224 SF	\$3,830	\$3.13
NKF Market Rent Projection	Unit Type - Size	Market Rent	\$/SF
	2 BR/2 BA - 979 SF	\$3,050	\$3.12

Compiled by NKF

☞ The subject includes (95) 2BR units ranging in size from 876 to 1,163 square feet.

☞ There have been (24) 2BR recent leases since April of 2020 ranging from \$2,595 to \$2,995 with an average of \$2,723.

☞ The subject includes one model unit (2BR) and one employee unit (2BR) that receives free rent.

☞ Market rent is concluded at \$3,050. This is supported by recent leasing at the subject and the comparable properties in the subject’s local market. Specifically, a figure just above the high end of the recent leases has been used as this is still below the majority of the comparables and market conditions are expected to improve. Further, the prior rates were artificially low in reaction to the lease-up of the two new buildings.

☞ This conclusion also takes into consideration the potential continued impact of Covid-19.



3 BR Units

Summary of Asking Rental Rates and Market Rent Conclusions			
3 BR Units			
Property	Unit Type - Size	Asking Rent	\$/SF
1 - Alta South Bay Apartments	3 BR/2 BA - 1,370 SF	\$3,362	\$2.45
2 - Evolve South Bay Apartments	3 BR/2 BA - 1,248 SF	\$3,545	\$2.84
4 - Seacrest Homes Apartments	3 BR/2 BA - 1,423 SF	\$3,550	\$2.49
2 - Evolve South Bay Apartments	3 BR/3 BA - 1,239 SF	\$3,880	\$3.13
NKF Market Rent Projection	Unit Type - Size	Market Rent	\$/SF
	3 BR/2 BA - 1,323 SF	\$3,500	\$2.65

Compiled by NKF

- ☛ The subject includes (12) 3BR units ranging in size from 1,319 to 1,336 square feet.
- ☛ There have been (3) 3BR recent leases since April of 2020 ranging from \$2,999 to \$3,099 with an average of \$3,032.
- ☛ Market rent is concluded at \$3,500. This is supported by recent leasing at the subject and the comparable properties in the subject's local market. Specifically, a figure above the high end of the recent leases has been used as those rates were reportedly artificially low. The conclusion is still below the majority of the comparables and market conditions are expected to improve. Finally, the subject units are large and the rate per square foot is competitive.
- ☛ This conclusion also takes into consideration the potential continued impact of Covid-19.

Market Rent Conclusions

The following is a summary of the subject's unit mix and our market rent conclusions based on our analysis of the subject rent roll and comparable market data detailed in the preceding.

Unit Mix										
No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Asking Rent	Typical Recent Leases	Market Rent	Market Rent PSF
43	1 BR/1 BA - 683 SF	683	29,390	43	100.0%	\$2,273	\$2,710	\$2,219	\$2,400	\$3.51
43	1 BR Total	683	29,390	43	100.0%	\$2,273	\$2,710	\$2,219	\$2,400	\$3.51
95	2 BR/2 BA - 979 SF	979	92,980	93	97.9%	\$2,771	\$3,062	\$2,723	\$3,050	\$3.12
95	2 BR Total	979	92,980	93	97.9%	\$2,771	\$3,062	\$2,723	\$3,050	\$3.12
12	3 BR/2 BA - 1,323 SF	1,323	15,879	12	100.0%	\$3,439	\$3,615	\$3,032	\$3,500	\$2.65
12	3 BR Total	1,323	15,879	12	100.0%	\$3,439	\$3,615	\$3,032	\$3,500	\$2.65
150	Totals		138,249	148						
	Averages	922			98.7%	\$2,681	\$3,005		\$2,900	\$3.15

Compiled by NKF



Gross Income Estimate

Potential Gross Rent

For the direct capitalization analysis, potential gross rent is based on contract rent plus vacant units at market rent (if applicable).

Potential Gross Rent						
Unit Description	No. Units	Avg. Contract Rent / Unit	Potential Gross Rent- Contract	Market Rent / Unit	Potential Gross Rent- Market	Loss to Lease
Leased Units						
1 BR/1 BA - 683 SF	43	\$2,273	\$1,173,121	\$2,400	\$1,238,400	-5.3%
2 BR/2 BA - 979 SF	93	\$2,771	\$3,092,436	\$3,050	\$3,403,800	-9.1%
3 BR/2 BA - 1,323 SF	12	\$3,439	\$495,264	\$3,500	\$504,000	-1.7%
Total Leased	148	\$2,681	\$4,760,820	\$2,898	\$5,146,200	-7.5%
Vacant Units (at market rents)						
2 BR/2 BA - 979 SF	2	\$3,050	\$73,200	\$3,050	\$73,200	
Total Vacant	2	\$3,050	\$73,200	\$3,050	\$73,200	
Grand Total	150	\$2,686	\$4,834,020	\$2,900	\$5,219,400	-7.5%

Compiled by NKF

Residential Rental Income

Rental Income		
Subject Historical and Projections	\$/Unit	Total
12 Months Ending Dec-2017	\$31,041	\$4,656,145
12 Months Ending Dec-2018	\$32,804	\$4,920,653
12 Months Ending Dec-2019	\$33,478	\$5,021,630
Sep-2020 T12	\$33,550	\$5,032,511
NKF Projection	\$32,227	\$4,834,020

Compiled by NKF

Loss to Lease

Loss to Lease Analysis				
Rental Revenue Segment	Number of Units	Average Monthly Rent	Total Monthly Rent	Total Annual Rent
Occupied Units	148	\$2,681	\$396,735	\$4,760,820
Less Employee/Model Units	1	\$3,023	\$3,023	\$36,276
Occupied Units at Contract Rents	147	\$2,678	\$393,712	\$4,724,544
Occupied Units at Market Rents	147	\$2,897	\$425,827	\$5,109,924
Differential				(\$385,380)
Indicated Gain/Loss Differential				-7.5%

Compiled by NKF



- ☞ No loss to lease has been modeled as potential gross rent is based on contract rent plus vacant units at market rent. This has been considered in our overall cap rate conclusion.

Concessions

Concessions			
Subject Historical and Projections	% of RI	\$/Unit	Total
12 Months Ending Dec-2017	0.27%	\$83	\$12,465
12 Months Ending Dec-2018	2.99%	\$982	\$147,251
12 Months Ending Dec-2019	0.28%	\$95	\$14,238
Sep-2020 T12	2.00%	\$670	\$100,548
NKF Projection	1.00%	\$322	\$48,340

Compiled by NKF

- ☞ Some of the rent comparables are reporting specials at this time.
- ☞ The subject's total year-to-date (January to September 2020) concessions equal \$97,887, or \$653 per unit with the \$35,283 of the concessions related to Covid-19.
- ☞ A modest 1.0% concession has been modeled as the market is and will continue to be competitive.

Potential Rental Income

Potential Rental Income		
Subject Historical and Projections	\$/Unit	Total
12 Months Ending Dec-2017	\$29,314	\$4,397,025
12 Months Ending Dec-2018	\$30,744	\$4,611,540
12 Months Ending Dec-2019	\$32,645	\$4,896,680
Sep-2020 T12	\$31,815	\$4,772,239
NKF Projection	\$31,905	\$4,785,680

Compiled by NKF

Operating History

Three years of historical operating data and trailing 12-month data (September 2019 to September 2020). As appropriate, the owner's operating expenses are reclassified into standard categories and exclude items that do not reflect normal operating expenses for this type of property.

The reclassification is done for proper analysis against comparable data and industry benchmarks as appropriate. Because the historical operating data statements use different names for some categories and it is not always immediately apparent which expenses belong to which standard expense category, the following provides a mapping of these expenses. The



categories on the historical operating statements are in the far left column while the “NKF Revenue or Operating Expense Category” are the categories used in this analysis for that line item.

Application of NKF Account Standards to Owner's Revenue and Expenses					
Actual or Proforma		Actuals	Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	12 Mos.	T 12
Period Ending		12/31/2017	12/31/2018	12/31/2019	9/30/2020
Owner's Revenue Category	NKF Revenue Category				
Market Rent	Rental Income	\$4,683,657	\$4,922,536	\$4,995,925	\$5,057,785
Loss/Gain to Lease	Loss to Lease	(\$246,654)	(\$161,862)	(\$110,712)	(\$159,724)
Prior Month Rent Adjustment	Rental Income	\$1,785	\$20,918	\$495	(\$2,832)
Vacancy	Vacancy	(\$165,724)	(\$182,348)	(\$107,223)	(\$117,452)
Rent Concessions	Concessions	(\$12,465)	(\$147,251)	(\$14,238)	(\$65,265)
Write-Off Delinquent Rent	Rental Income	(\$38,200)	(\$22,785)	(\$56,038)	(\$27,298)
Lease Cancellations	Rental Income	\$20,129	\$24,985	\$32,778	\$34,875
Delinquent Rent	Rental Income	(\$7,267)	(\$32,609)	(\$7,091)	(\$110,214)
Prepaid Rent Collected	Rental Income	\$4,049	\$5,366	\$12,796	\$14,003
Prior Year Adjustments	Rental Income	(\$8,008)	\$963	\$40,905	\$61,038
Carport/Garage Income	Net Parking Income				\$13,340
Pet Fees	Net Other Income	\$11,125	\$8,250	\$15,626	\$9,928
Pet Rent	Net Other Income	\$446	\$1,968	\$150	\$300
Write-Off to Other Inc	Net Other Income	\$282	(\$21)	(\$500)	
Oth Inc-Utility-Electric Only	Net Expense Reimbursements	\$1,737	\$1,901	\$987	\$242
Oth Inc-Utility-Gas Only	Net Expense Reimbursements	\$32,625	\$33,089	\$37,964	\$37,287
Oth Inc-Utility Reimbursement	Net Expense Reimbursements	(\$527)	\$0	\$81	\$136
Oth Inc-Utility-Sewer	Net Expense Reimbursements	\$32,196	\$34,594	\$34,905	\$34,930
Oth Inc-Utility-Trash	Net Expense Reimbursements	\$33,462	\$34,778	\$34,661	\$37,682
Oth Inc-Utility-Water	Net Expense Reimbursements	\$20,444	\$23,232	\$26,834	\$31,796
Oth Inc-Utility-Admin	Net Expense Reimbursements	\$7,317	\$8,285	\$8,129	\$7,559
Oth Inc-Credit Check/Application Fee	Net Other Income	\$1,525	\$6,180	\$6,260	\$5,025
Oth Inc-Late Fees	Net Other Income	\$12,991	\$6,057	\$8,041	\$3,550
Oth Inc-Legal Fees	Net Other Income	\$1,065	\$1,885	\$2,260	\$845
Oth Inc-Miscellaneous	Net Other Income	\$47		\$207	
Oth Inc-Month-To-Month Fees	Net Other Income	\$13,107	\$5,655	\$475	\$207
Oth Inc-Nsf Fees	Net Other Income	\$550	\$625	\$5,849	\$300
Oth Inc-Misc Fee Income	Net Other Income	\$3,061	\$6,413		\$8,541
Oth Inc-Storage	Net Other Income	\$34,799	\$26,736	\$25,491	\$30,192
Oth Inc-Vending Machines	Net Other Income	\$271			
Collections/Agency	Rental Income		\$809	\$170	\$3,464
Collections/Resident	Rental Income		\$470	\$1,691	\$1,691
Oth Inc-Renters Insurance	Net Other Income			\$3,520	
Concession COVID-19	Concessions				(\$35,283)
Oth Inc-Renters Insurance	Net Other Income				\$4,798
Oth Inc-Pest Reimbursement	Net Other Income				\$1,550
Effective Gross Income	Effective Gross Income	\$4,437,824	\$4,628,817	\$5,000,396	\$4,882,995



Actual or Proforma		Actuals	Actuals	Actuals	Actuals
Period Length		12 Mos.	12 Mos.	12 Mos.	T 12
Period Ending		12/31/2017	12/31/2018	12/31/2019	9/30/2020
Owner's Operating Expense Category	NKF Operating Expense Category				
Model/Non Revenue Unit	Non-Revenue Units	\$35,433	\$36,988	\$37,245	\$36,707
Employee Unit Loss	Non-Revenue Units	\$63,344	\$38,364	\$70,164	\$70,164
Sal P/M-Community Director	Payroll and Benefits	\$94,349	\$79,598	\$74,056	\$68,261
Sal Maint-Other	Payroll and Benefits	\$30,905	\$28,647	\$31,400	\$40,583
Sal Maint-Supervisor	Payroll and Benefits	\$42,241	\$45,434	\$47,167	\$45,884
Temporary Services-Maintenance	Payroll and Benefits	\$9,211	\$14,261	\$5,934	
Sal P/M-Assn'T Resident Mgr	Payroll and Benefits	\$29,948	\$39,661	\$40,052	\$14,369
Sal Admin-Acctg*Auditing	Payroll and Benefits	\$1,647	\$3,739	\$1,708	\$4,330
Sal Admin-Marketing-Administrative Asst	Payroll and Benefits	\$2,097	\$1,305	\$813	\$1,764
Sal-Regional Maintenance	Payroll and Benefits	\$1,591	\$970	\$2,334	\$6,581
Temporary Services-Administrative	Payroll and Benefits	\$23,083	\$15,654	\$3,981	\$2,885
Sal Burden-Fica	Payroll and Benefits	\$15,177	\$14,935	\$15,329	\$16,645
Sal Burden-Futa	Payroll and Benefits	\$191	\$507	\$238	\$240
Sal Burden-Group Insurance	Payroll and Benefits	\$19,319	\$18,923	\$30,548	\$36,529
Sal Burden-Suta	Payroll and Benefits	\$1,626	\$2,509	\$1,906	\$1,884
Sal Burden-Workmans Comp	Payroll and Benefits	\$20,797	\$17,017	\$18,975	\$22,548
Sal Burden-3Rd Party Processing	Payroll and Benefits	\$2,175	\$1,906	\$3,297	\$4,335
Sal Burden-401(K) ER Contribution	Payroll and Benefits	\$1,239	\$1,299	\$2,095	\$2,182
Adv-Call Source	General and Administrative	\$4,339	\$1,643	\$1,025	
Adv-Internet	General and Administrative	\$12,828	\$13,078	\$16,289	\$27,578
Adv-Locator Service	General and Administrative	\$540	\$500	\$2,434	\$1,854
Adv-Periodicals & Apt Guide	General and Administrative	\$0	\$0		\$488
Adv-Referral Fees	General and Administrative	\$1,000	\$500		
Promo-Complex General	General and Administrative	\$5,532	\$4,211	\$3,382	\$3,183
Promotion-Model Decorating	General and Administrative	\$0	\$16	\$22	\$2,500
Promotion-Recreation	General and Administrative	\$9,101	\$9,739	\$16,950	\$16,743
Promo-Recreation Equipment	General and Administrative	\$0	\$0		
Fee Exp-Management Fee	Management	\$114,975	\$121,623	\$129,578	\$123,655
Computer-Software License/Support	General and Administrative	\$13,802	\$9,309	\$10,810	\$10,688
Computer-Supplies	General and Administrative	\$545	\$683	\$1,950	
Dues And Subscriptions-Associations	General and Administrative	\$2,000	\$2,049		
Fee Exp-Banking Services	General and Administrative	\$667	\$173	\$50	\$1,622
Fee Exp-Credit Check	General and Administrative	\$816	\$6,320	\$2,017	\$3,798
Fee Exp-General	General and Administrative	\$2,499	\$233	\$1,134	\$884
Fee Exp-Genl Legal & Evictions	General and Administrative	\$7,276	\$13,690	\$16,201	\$11,831
Fee Exp-Legal Evictions	General and Administrative	\$0			
Fee Exp-Licenses And Bonds	General and Administrative	\$20		\$40	\$2,662
Off-Supplies-General	General and Administrative	\$4,108	\$6,906	\$2,676	\$583
Off-Postage And Related	General and Administrative	\$916	\$1,641	\$1,011	\$830
Personnel-Employee Classes	General and Administrative	\$502	\$840	\$926	\$464
Personnel-Travel/Ent-Other-General	General and Administrative	\$999	\$1,397	\$1,226	\$335
Personnel-Recruitment-General	General and Administrative	\$652	\$1,360	\$573	\$962
Telephone & Communications	General and Administrative	\$20,168	\$27,812	\$21,250	\$19,011
Util-Cable	Utilities	\$3,807	\$4,022	\$4,530	\$3,956
Util-Electricity-Common Area	Utilities	\$75,230	\$73,849	\$63,928	\$68,508
Util-Electricity-Vacant Units	Utilities	\$3,227	\$3,726	\$2,210	\$1,230
Util-Billing Service Fee	Utilities	\$7,943	\$9,506	\$7,400	\$9,336
Util-Garbage And Trash Collection	Utilities	\$40,792	\$42,338	\$40,266	\$40,184
Util-Gas-Common Area	Utilities	\$30,915	\$36,093	\$38,635	\$35,390



Util-Gas-Vacant Units	Utilities	\$454	\$788	\$332	\$191
Util-Models-All	Utilities	\$418	\$546	\$399	\$377
Util-Water	Utilities	\$26,501	\$23,819	\$26,302	\$31,968
R & M-Appliance Replacement	Repairs and Maintenance	\$3,674			
R & M-Appliances	Repairs and Maintenance	\$5,502	\$9,361	\$24,465	\$21,938
R & M-Backflow	Repairs and Maintenance	\$300	\$375	\$575	\$375
R & M-Boiler Repair	Repairs and Maintenance	\$4,790	\$1,260	\$982	\$552
R & M-Blding Exp/Bldg Movement	Repairs and Maintenance	\$117,747	\$50,134	\$67,429	\$31,807
R & M-Carpet Repairs	Repairs and Maintenance	\$65	\$500		
R & M-Common Area Maint/Cleaning	Repairs and Maintenance	\$400			
R & M-Contract Labor	Repairs and Maintenance	\$169			
R & M-Drapes Non Turnover	Repairs and Maintenance	\$525	\$119		
R & M-Electrical	Repairs and Maintenance	\$614	\$13,452	\$11,331	\$11,996
R & M-Electrical Supplies	Repairs and Maintenance	\$466	\$170		
R & M-Elevator	Repairs and Maintenance	\$10,357	\$17,155	\$13,071	\$14,020
R & M-Exterminating	Repairs and Maintenance	\$5,273	\$9,258	\$5,422	\$5,205
R & M-General	Repairs and Maintenance	\$19,032	\$63,068	\$70,876	\$51,424
R & M-Hardware/T Tools	Repairs and Maintenance	\$1,131			
R & M-HVAC	Repairs and Maintenance	\$1,777	\$9,483	\$9,106	\$12,456
R & M-HVAC Contract	Repairs and Maintenance	\$200			
R & M-Janitorial Service	Repairs and Maintenance	\$43,501	\$42,075	\$68,162	\$70,877
R & M-Janitorial Supplies	Repairs and Maintenance	\$707	\$675	\$1,916	\$1,241
Landscape Contract	Repairs and Maintenance	\$23,455	\$21,680	\$25,250	\$20,750
R & M-Landscape Supplies	Repairs and Maintenance	\$1,138	\$8,311	\$1,850	
R & M Landscape Tree Trimming	Repairs and Maintenance	\$9,940	\$2,935		
R & M-Landscape/Irrigation-Sprinklers	Repairs and Maintenance	\$788	\$2,984		
R & M-Light Bulbs & Fixtures	Repairs and Maintenance	\$751	\$864		
R & M-Locks & Keys	Repairs and Maintenance	\$7,277	\$670	\$1,034	\$3,173
R & M-Mold Removal/Supplies	Repairs and Maintenance	\$32			
R & M-Non-Turnover	Repairs and Maintenance	\$10,577	\$6,435	\$30,645	\$1,026
R & M-Painting-Exterior	Repairs and Maintenance	\$695			
R & M-Painting Materials & Suppl	Repairs and Maintenance	\$1,100	\$75		\$186
R & M-Plumbing	Repairs and Maintenance	\$3,402	\$5,761	\$20,074	\$22,146
R & M-Plumbing Supplies/Parts	Repairs and Maintenance	\$242	\$905	\$417	\$163
R & M-Pool Contract	Repairs and Maintenance	\$7,332	\$7,396	\$7,615	\$7,204
R & M-Pool,Fnt,Suppl & Rprs	Repairs and Maintenance	\$26,036	\$29,576	\$2,189	\$8,188
R & M-Screens/Windows	Repairs and Maintenance	\$192	\$2,163	\$436	\$548
R & M-Uniforms	Repairs and Maintenance	\$492	\$907	\$128	\$287
Sec-Safety/Fire Prevention	General and Administrative	\$4,015	\$17,906	\$25,551	\$5,983
Sec-Security Patrol	General and Administrative	\$44,605	\$56,914	\$62,617	\$56,271
R & M-Turnover Cleaning Contractor	Repairs and Maintenance	\$13,936	\$32,645	\$14,155	\$12,409
R & M-Turnover-Appliance Repair	Repairs and Maintenance	\$1,439	\$4,873		\$1,569
R & M-Turnover-Carpet Clean/Repair-Vac	Repairs and Maintenance	\$5,925	\$2,135		
R & M-Turnover-Plumbing	Repairs and Maintenance	\$595	\$267		
R & M-Turnover-Resurfacing-Tub/Shower	Repairs and Maintenance	\$150			
R & M-Turnover Draperies/Blinds	Repairs and Maintenance	\$311	\$1,339	\$1,850	\$1,593
R & M-Turnover Flooring	Repairs and Maintenance	\$3,067	\$28,857	\$178,133	\$190,992
R & M-Turnover Interior Cng Suppl	Repairs and Maintenance	\$1,090	\$4,777	\$2,444	\$350
R & M-Turnover Interior Repairs	Repairs and Maintenance	\$2,290	\$14,502	\$6,871	\$7,371
R & M-Turnover Paint Contractor	Repairs and Maintenance	\$11,469	\$30,148	\$29,882	\$85,184
R & M-Turnover Painting	Repairs and Maintenance	\$5,741	\$10,248	\$7,916	\$6,884
Sec-Elevator Inspection	Repairs and Maintenance	\$2,375			
Sal P/M-Leasing Agent	Payroll and Benefits		\$670		



Sal Admin-P/M Administrative Assis	Payroll and Benefits	\$721			
Adv-Social Media Mgmt	General and Administrative	\$1,737	\$3,370		\$1,045
Adv-Signage	General and Administrative	\$540			
Auto-Operating Cost	General and Administrative	\$243			\$190
Equip Exp-Off Equip (Non-Cap)	General and Administrative	\$110			
Auto Expense-Parking Space	General and Administrative	\$14			
Misc-General	General and Administrative	\$300			
Off-Duplicating Expenses	General and Administrative	\$275			\$1,842
Off-Supplies- Refreshments	General and Administrative	\$380			\$29
R & M-Carpet Cleaning for Renewals	Repairs and Maintenance	\$75			
R & M-Common Area/Exterior Repairs	Repairs and Maintenance	\$25,985			
R & M-Counter Tops	Repairs and Maintenance	\$1,500			
R & M-Equipment	Repairs and Maintenance	\$2,312			
R & M-Exterior Signage	Repairs and Maintenance	\$225			
R & M-Parking Lot Repairs	Repairs and Maintenance	\$396			
R & M-Security Gate Exp	Repairs and Maintenance	\$1,524			
R & M-Surface Repairs	Repairs and Maintenance	\$8,300			
R & M-Turnover-Forfeited Dep Damages	Repairs and Maintenance	\$2,990			
Sal P/M-Bonus-Office	Payroll and Benefits		\$964		
Sal P/M-Leasing Agent	Payroll and Benefits		\$5,565		
Sal Admin-Acctg Construction	Payroll and Benefits		\$91		
Auto-Operating Cost	General and Administrative		\$64		
Computer-Online Leasing/Resident Portal	General and Administrative		\$120		\$375
Off-Duplicating Expenses	General and Administrative		\$2,576		
Off-Printing Supplies	General and Administrative		\$71		
Personnel-General Expenses	General and Administrative		\$151		
Oth Exp-Renters Insurance	General and Administrative		\$909		\$1,217
Util-Internet/DSL Charges	Utilities		\$99		\$50
R & M-Doors	Repairs and Maintenance		\$869		\$8,837
R & M-Equipment	Repairs and Maintenance		\$1,138		\$172
R & M-Janitorial Cleaning Tenant Suites	Repairs and Maintenance		\$586		\$586
R & M-Surface Repairs	Repairs and Maintenance		\$7,228		\$3,000
R & M Turnover-Doors	Repairs and Maintenance		\$104		\$20
Sec-Alarm Monitoring	Repairs and Maintenance		\$3,661		\$643
Sal OT-Community Manager	Payroll and Benefits				\$1,448
Sal P/M-Bonus-Maintenance	Payroll and Benefits				\$2,513
Sal OT-Maintenance	Payroll and Benefits				\$854
Sal P/M-Bonus-Office	Payroll and Benefits				\$8,078
Sal OT-Maintenance Service Director	Payroll and Benefits				\$1,639
Sal P/M-Leasing Agent	Payroll and Benefits				\$25,522
Sal OT-Asst. Comm. Manager	Payroll and Benefits				\$81
Sal Admin-Acctg Construction	Payroll and Benefits				\$30
Misc-General	General and Administrative				\$1,820
Util-Sewer	Utilities				\$142
Util-Pagers & Beepers	Utilities				\$1
R & M-Air Conditioning	Repairs and Maintenance				(\$125)
Total Operating Expenses	Total Operating Expenses	\$1,193,630	\$1,340,782	\$1,520,747	\$1,510,878
Net Operating Income		\$3,244,194	\$3,288,035	\$3,479,649	\$3,372,117

Compiled by NKF



Operating History and Projections										
Period Length	12 Mos.		12 Mos.		12 Mos.		T12		NKF	
Period Ending	12/31/2017		12/31/2018		12/31/2019		9/30/2020		Projection	
Occupancy	96.2%		96.0%		97.8%		97.5%		96.0%	
Multifamily Revenue	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit
Rental Income	\$4,656,145	\$31,041	\$4,920,653	\$32,804	\$5,021,630	\$33,478	\$5,032,511	\$33,550	\$4,834,020	\$32,227
Loss to Lease	(\$246,654)	(\$1,644)	(\$161,862)	(\$1,079)	(\$110,712)	(\$738)	(\$159,724)	(\$1,065)	\$0	\$0
Concessions	(\$12,465)	(\$83)	(\$147,251)	(\$982)	(\$14,238)	(\$95)	(\$100,548)	(\$670)	(\$48,340)	(\$322)
Potential Rental Income	\$4,397,025	\$29,314	\$4,611,540	\$30,744	\$4,896,680	\$32,645	\$4,772,239	\$31,815	\$4,785,680	\$31,905
Vacancy	(\$165,724)	(\$1,105)	(\$182,348)	(\$1,216)	(\$107,223)	(\$715)	(\$117,452)	(\$783)	(\$191,427)	(\$1,276)
Collection Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$47,857)	(\$319)
Effective Rental Income	\$4,231,301	\$28,209	\$4,429,192	\$29,528	\$4,789,457	\$31,930	\$4,654,787	\$31,032	\$4,546,396	\$30,309
Net Expense Reimbursements	\$127,254	\$848	\$135,878	\$906	\$143,561	\$957	\$149,633	\$998	\$142,500	\$950
Net Parking Income	\$0	\$0	\$0	\$0	\$0	\$0	\$13,340	\$89	\$15,000	\$100
Net Other Income	\$79,268	\$528	\$63,747	\$425	\$67,379	\$449	\$65,235	\$435	\$67,500	\$450
Effective Gross Income	\$4,437,824	\$29,585	\$4,628,817	\$30,859	\$5,000,396	\$33,336	\$4,882,995	\$32,553	\$4,771,396	\$31,809
Operating Expenses	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit	Total \$	\$/Unit
Real Estate Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$834,642	\$5,564
Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	\$500
Utilities	\$189,287	\$1,262	\$194,686	\$1,298	\$184,102	\$1,227	\$191,333	\$1,276	\$187,500	\$1,250
Repairs and Maintenance	\$358,067	\$2,387	\$480,847	\$3,206	\$617,810	\$4,119	\$605,046	\$4,034	\$150,000	\$1,000
Payroll and Benefits	\$295,594	\$1,971	\$287,755	\$1,918	\$286,454	\$1,910	\$309,186	\$2,061	\$300,000	\$2,000
Non-Revenue Units	\$98,777	\$659	\$75,352	\$502	\$107,409	\$716	\$106,871	\$712	\$105,000	\$700
General and Administrative Management	\$136,930	\$913	\$180,519	\$1,203	\$195,394	\$1,303	\$174,786	\$1,165	\$180,000	\$1,200
Replacement Reserves	\$114,975	\$766	\$121,623	\$811	\$129,578	\$864	\$123,655	\$824	\$119,285	\$795
Total Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,500	\$250
Operating Expense Ratio	\$1,193,630	\$7,958	\$1,340,782	\$8,939	\$1,520,747	\$10,138	\$1,510,878	\$10,073	\$1,988,926	\$13,260
	26.9%		29.0%		30.4%		30.9%		41.7%	
Net Operating Income	\$3,244,194	\$21,628	\$3,288,035	\$21,920	\$3,479,649	\$23,198	\$3,372,117	\$22,481	\$2,782,470	\$18,550

Compiled by NKF

Multifamily Vacancy & Collection Loss Allowance

Vacancy Allowance

Occupancy	
Subject Historical and Projections	% of PGI
12 Months Ending Dec-2017	96.23%
12 Months Ending Dec-2018	96.05%
12 Months Ending Dec-2019	97.81%
Sep-2020 T12	97.54%
NKF Projection	96.00%

Compiled by NKF

The vacancy estimate for the subject was previously developed in the market analysis section of this report and was concluded to be 4.00%.

Vacancy			
Subject Historical and Projections	% of PGI	\$/Unit	Total
12 Months Ending Dec-2017	3.77%	\$1,105	\$165,724
12 Months Ending Dec-2018	3.95%	\$1,216	\$182,348
12 Months Ending Dec-2019	2.19%	\$715	\$107,223
Sep-2020 T12	2.46%	\$783	\$117,452
NKF Projection	4.00%	\$1,276	\$191,427

Compiled by NKF



Collection Loss

Collection Loss			
Subject Historical and Projections	% of PGI	\$/Unit	Total
12 Months Ending Dec-2017	0.00%	\$0	\$0
12 Months Ending Dec-2018	0.00%	\$0	\$0
12 Months Ending Dec-2019	0.00%	\$0	\$0
Sep-2020 T 12	0.00%	\$0	\$0
NKF Projection	1.00%	\$319	\$47,857

Compiled by NKF

- Based on available data and analysis, the concluded collection loss allowance is 1.00%.

Combined Vacancy and Collection Loss Conclusion

Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 5.00%.

- The subject's market is typically characterized by full occupancy as there is strong demand for apartments in this market.
- The regional and competitive market, as discussed in the market analysis section, are well occupied and most investors would use this information to reflect a lower vacancy and collection loss.
- Market rent was well supported and these comparables were also generally well occupied (if a property is not offered at market rate vacancy would increase).

Effective Multifamily Rental Income

Effective Rental Income			
Subject Historical and Projections	% of PGI	\$/Unit	Total
12 Months Ending Dec-2017	96.23%	\$28,209	\$4,231,301
12 Months Ending Dec-2018	96.05%	\$29,528	\$4,429,192
12 Months Ending Dec-2019	97.81%	\$31,930	\$4,789,457
Sep-2020 T 12	97.54%	\$31,032	\$4,654,787
NKF Projection	95.00%	\$30,309	\$4,546,396

Compiled by NKF

- The PGI for the subject is lower than the recent history as income as a higher vacancy rate has been used
- Further, this takes into consideration the impact Covid-19 has had on rents



Net Expense Recoveries (RUBS)

Net Expense Reimbursements		
Subject Historical and Projections	\$/Unit	Total
12 Months Ending Dec-2017	\$848	\$127,254
12 Months Ending Dec-2018	\$906	\$135,878
12 Months Ending Dec-2019	\$957	\$143,561
Sep-2020 T 12	\$998	\$149,633
NKF Projection	\$950	\$142,500

Compiled by NKF

- ☛ The subject includes a RUBS program (Ratio Utility Billing System), whereby a portion of the utility expense is shared by tenants and reimbursed to the landlord on a pro rata basis.
- ☛ The NKF estimate emphasizes the most recent actual amounts at the property.

Net Parking Income

Net Parking Income		
Subject Historical and Projections	\$/Unit	Total
12 Months Ending Dec-2017	\$0	\$0
12 Months Ending Dec-2018	\$0	\$0
12 Months Ending Dec-2019	\$0	\$0
Sep-2020 T 12	\$89	\$13,340
NKF Projection	\$100	\$15,000

Compiled by NKF

- ☛ The subject includes 487 garage parking spaces (299 allocated to the residential, 151 allocated to the retail portion, and 37 extra spaces).
- ☛ Based on discussions with the property manager, each 1BR unit gets one parking space included in the rent and each 2BR and 3BR unit gets two parking spaces included in the rent. Additional parking spaces are \$50 per month, per space.
- ☛ The NKF estimate emphasizes the most recent actual amounts at the property as this charge only recently started..



Net Other Income

Net Other Income		
Subject Historical and Projections	\$/Unit	Total
12 Months Ending Dec-2017	\$528	\$79,268
12 Months Ending Dec-2018	\$425	\$63,747
12 Months Ending Dec-2019	\$449	\$67,379
Sep-2020 T12	\$435	\$65,235
NKF Projection	\$450	\$67,500

Compiled by NKF

- ❖ Other income includes pet fees, pet rent, write-offs, deposits, credit checks/application fees, late fees, legal fees, month-to-month fees, NSF fees, storage, vending machines, renter's insurance, and miscellaneous income. We have excluded deposits as it is not regular income.

Effective Gross Income

Effective Gross Income		
Subject Historical and Projections	\$/Unit	Total
12 Months Ending Dec-2017	\$29,585	\$4,437,824
12 Months Ending Dec-2018	\$30,859	\$4,628,817
12 Months Ending Dec-2019	\$33,336	\$5,000,396
Sep-2020 T12	\$32,553	\$4,882,995
NKF Projection	\$31,809	\$4,771,396

Compiled by NKF

- ❖ The PGI for the subject is lower than the recent history as income as a higher vacancy rate has been used
- ❖ Further, this takes into consideration the impact Covid-19 has had on rents



Operating Expense Analysis

Expense data for the subject and comparable properties are summarized in the following table.

Expense Analysis per Unit									
	Comp 1	Comp 2	Comp 3	Comp 4	Subject Historical and Projections				
Year Built	2018	2008	2015	2015	2013				
Apt. Units	220	210	129	139	150				
Operating Data Type	T12	12 Mos.	12 Mos.	12 Mos.	Actual	Actual	Actual	T12	NKF
Year	2019	2019	2018	2019	2017	2018	2019	2020	Projection
Effective Gross Multifamily Income per Unit	\$31,824	\$26,455	\$23,998	\$22,642	\$29,585	\$30,859	\$33,336	\$32,553	\$31,809
Operating Expenses per Unit									
Real Estate Taxes	\$5,938	\$4,603	\$4,426	\$3,091					\$5,564
Insurance	\$824	\$1,163	\$250	\$597					\$500
Utilities	\$1,125	\$1,770	\$748	\$1,073	\$1,262	\$1,298	\$1,227	\$1,276	\$1,250
Repairs and Maintenance	\$671	\$1,960	\$727	\$870	\$2,387	\$3,206	\$4,119	\$4,034	\$1,000
Payroll and Benefits	\$2,243	\$2,163	\$2,255	\$1,575	\$1,971	\$1,918	\$1,910	\$2,061	\$2,000
No n-Revenue Units					\$659	\$502	\$716	\$712	\$700
General and Administrative Management	\$1,274	\$1,086	\$1,158	\$1,466	\$913	\$1,203	\$1,303	\$1,165	\$1,200
Replacement Reserves	\$628	\$794	\$720	\$908	\$766	\$811	\$864	\$824	\$795
Total Operating Expenses per Unit	\$12,703	\$13,539	\$10,284	\$9,580	\$7,958	\$8,939	\$10,138	\$10,073	\$13,260
Net Operating Income per Unit	\$19,121	\$12,916	\$13,714	\$13,062	\$21,628	\$21,920	\$23,198	\$22,481	\$18,550
Operating Expense KPIs (% of EGI)									
Management	1.97%	3.00%	3.00%	4.01%	2.59%	2.63%	2.59%	2.53%	2.50%
Operating Expense Ratio (% of EGI)	39.92%	51.18%	42.85%	42.31%	26.90%	28.97%	30.41%	30.94%	41.68%
Net Operating Income (% of EGI)	60.08%	48.82%	57.15%	57.69%	73.10%	71.03%	69.59%	69.06%	58.32%

Compiled by NKF

- ☛ The operating expenses have been classified into nine categories as there is inconsistent expense reporting for multi-family assets similar to the subject (i.e. investors use a wide array of classifications for assets of this size and value). The exceptions are real estate taxes, insurance (typically a bill), utilities (typically based on multiple bills), and management (when included, it is typically a percentage of income).
- ☛ Real estate taxes in the valuation are based on the appropriate methodology required by California tax law and typical underwriting methods. Specifically, based upon a review of real estate tax assessments after a property purchase, the assessor uses the actual sale price more than 90 percent of the time as the new basis. Most investors also model pro-forma taxes based upon their acquisition price. The definition of market value used in this appraisal is based on the premise the subject is sold at the concluded value. Therefore, the value conclusion by each approach, where appropriate, is used as the real estate tax basis in the pro-forma estimate. The tax calculation is based upon the final un-rounded concluded value, multiplied by the tax rate, plus direct assessments.
- ☛ Primary support for the insurance and utilities expenses, where possible, are based on the subject as these items are typically consistent. The subject's historical data did



not include insurance related expenses, we have relied on comparable data. Emphasis was placed on the subject's historical data for the utilities expense.

- ☞ The repairs and maintenance expense include any item which was classified as having a direct impact on the operation of the physical asset (e.g. repairs and maintenance, janitorial, landscaping, common areas....). The range of expenses in this category can be extensive as landlords occasionally include capital repairs. The subject's historical data appears high and it is assumed this includes capital repairs expenses, emphasis was placed on the comparable data.
- ☞ The general and administrative expense includes any item which was classified as off-site and not having direct impact on the operation of the physical asset (e.g. annual financial reporting, legal expense to remove a tenant). Emphasis was placed on the subject's historical data.
- ☞ Payroll and benefits include all employees such as the manager, leasing agents, maintenance personnel, and grounds crew. Emphasis was placed on the subject's historical data.
- ☞ Non-revenue units include employee units. The property includes one employee unit that receives free rent and one model unit. We have included these unit's at contract rent and deducted them out as an expense. Emphasis was placed on the subject's historical data.
- ☞ Management fees are considered an expense of operation, whether the services are contracted or provided by the property owner. Typical management fees for properties of this type range from 3.0% to 5.0%. Emphasis was placed on the subject's historical data. We have projected an overall management fee of 2.5%.
- ☞ Reserves are typically included in appraisals and the figure is typically \$200-\$250 per unit.



Total Operating Expenses

Total Operating Expenses			
Source	% of EGI	\$/Unit	Total
Comparables Low	39.9%	\$9,580	
Comparables High	51.2%	\$13,539	
Comparables Average	44.1%	\$11,527	
Subject Historical and Projections			
2017 (Actual Operations)	26.9%	\$7,958	\$1,193,630
2018 (Actual Operations)	29.0%	\$8,939	\$1,340,782
2019 (Actual Operations)	30.4%	\$10,138	\$1,520,747
2020 (T 12 Operations)	30.9%	\$10,073	\$1,510,878
NKF Projection	41.7%	\$13,260	\$1,988,926

Compiled by NKF

- ❗ The total operating expenses are higher than the subject's historical data due to the inclusion of insurance and real estate taxes omitted from the operating budgets.
- ❗ The total expense excluding real estate taxes is \$8,173 per unit. The comparables range from \$5,858 to \$8,936 per unit excluding real estate taxes

Net Operating Income

Net Operating Income			
Source	% of EGI	\$/Unit	Total
Subject Historical and Projections			
2017 (Actual Operations)	73.1%	\$21,628	\$3,244,194
2018 (Actual Operations)	71.0%	\$21,920	\$3,288,035
2019 (Actual Operations)	69.6%	\$23,198	\$3,479,649
2020 (T 12 Operations)	69.1%	\$22,481	\$3,372,117
NKF Projection	58.3%	\$18,550	\$2,782,470

Compiled by NKF

- ❗ The EGI per unit is significantly lower than the recent history as rents are lower and the history did not include a real estate tax or insurance expense.

Direct Capitalization

The following subsections represent different techniques for deriving an overall capitalization rate.



Comparable Sales

Comparable Multifamily Sales Summary							
No.	Property Name	Yr. Built	Sale Date	Number of Apt. Units	Occ. %	Price per Unit	OAR
1	The Pearl on Wilshire	2018	Dec-2019	346	98%	\$493,844	4.20%
2	Areum Apartments	2017	Nov-2019	154	93%	\$487,013	N/A
3	Next on Sixth	2017	Aug-2019	398	0%	\$474,874	4.30%
4	Avalon Cerritos	2017	May-2019	132	90%	\$458,333	4.25%
Average (Mean) Cap Rate:							4.25%

Compiled by NKF

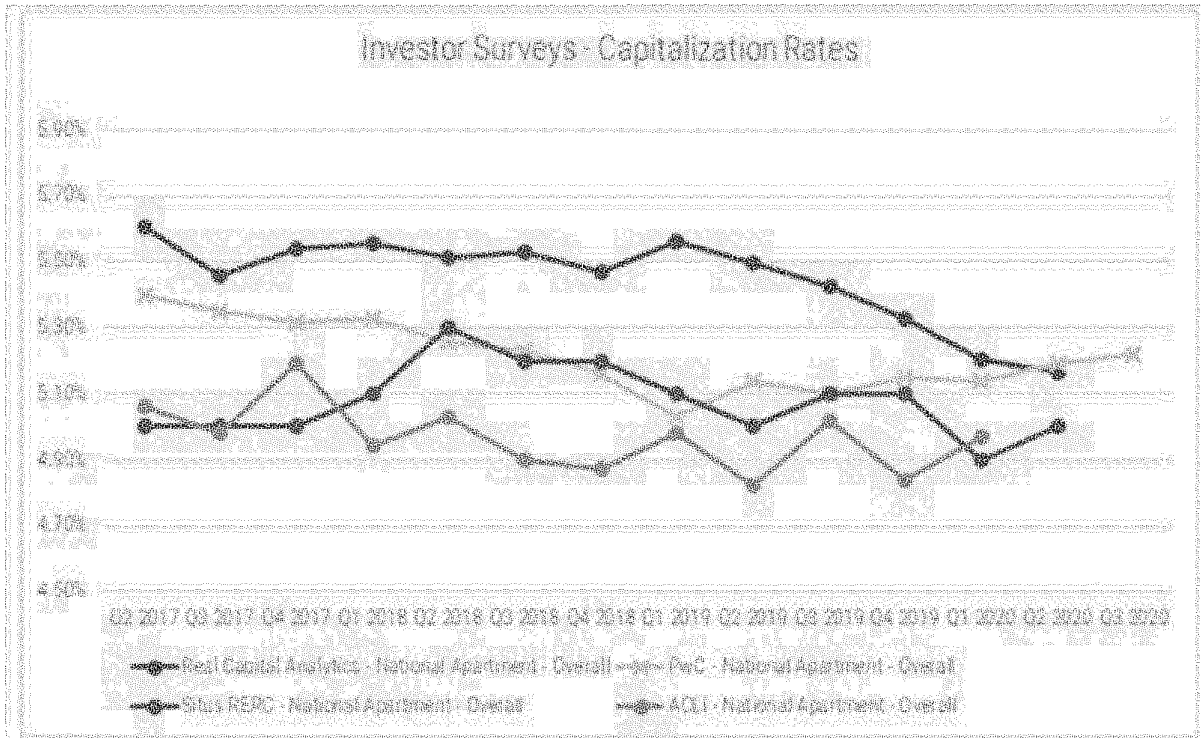
- ☒ All capitalization rates are in place income. The sales with cap rates at the lower end of the range have a higher loss to lease, resulting in increased upside potential.
- ☒ The subject's loss to lease is approximately -6.0%, indicating there is limited upside potential.
- ☒ However, the potential to increase rent once the new complexes enter the market would be considered.
- ☒ For this analysis, we have used a cap rate of 4.25%. This conclusion also takes into consideration the impact of COVID-19.

Investor Surveys

Investor Surveys - Capitalization Rates				
Source	Period	Low	High	Average
Real Capital Analytics - National Apartment - Overall	Q2 2020	N/A	N/A	5.17%
PwC - National Apartment - Overall	Q3 2020	3.50%	8.00%	5.22%
Situs RERC - National Apartment - Overall	Q2 2020	4.50%	5.80%	5.00%
ACLI - National Apartment - Overall	Q1 2020	N/A	N/A	4.97%

Compiled by NKF





§§ The most current national survey data indicates that going-in capitalization rates range from 3.50% to 8.0% and average 5.09%.

Capitalization Rate Conclusion

Capitalization Rate Conclusion	
Source	Indication
Comparable Sales	4.20% - 4.30%
Investor Surveys	3.50% - 8.0%
Concluded Going-In Capitalization Rate	4.25%

Compiled by NKF

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. Valuation of the subject by direct capitalization is shown in the table immediately following.



Income Capitalization Approach

Summary of Stabilized Net Operating Income

Item Description	% of Income	\$ / Unit	Total \$
Multifamily Revenue 150 Units			
Rental Income		\$32,227	\$4,834,020
Loss to Lease	0.00%	\$0	\$0
Concessions	-1.00%	(\$322)	(\$48,340)
Potential Rental Income		\$31,905	\$4,785,680
Vacancy	-4.00%	(\$1,276)	(\$191,427)
Collection Loss	-1.00%	(\$319)	(\$47,857)
Effective Rental Income		\$30,309	\$4,546,396
Net Expense Reimbursements		\$950	\$142,500
Net Parking Income		\$100	\$15,000
Net Other Income		\$450	\$67,500
Effective Gross Income		\$31,809	\$4,771,396

Operating Expenses 150 Units			
Real Estate Taxes		\$5,564	\$834,642
Insurance		\$500	\$75,000
Utilities		\$1,250	\$187,500
Repairs and Maintenance		\$1,000	\$150,000
Payroll and Benefits		\$2,000	\$300,000
Non-Revenue Units		\$700	\$105,000
General and Administrative Management	2.50%	\$795	\$119,285
Replacement Reserves		\$250	\$37,500
Total Operating Expenses	41.68%	\$13,260	\$1,988,926
Net Operating Income		\$18,550	\$2,782,470

Direct Capitalization Method

Value Indication	\$ / Unit	Total \$
Stabilized Net Operating Income	\$18,550	\$2,782,470
Overall Capitalization Rate		.25%
As Stabilized Value	Effective Date: 10/28/2020	\$65,469,875
Rounded	\$436,667	\$65,500,000

Valuation Matrix

OAR	Value
3.75%	\$74,199,192
4.00%	\$69,561,742
4.25%	\$65,469,875
4.50%	\$61,832,660
4.75%	\$58,578,309

As Is		
Hypothetical As Stabilized Value as of Current Date	Effective Date: 10/28/2020	\$65,469,875
Retail Component		\$3,180,000
As Is Value	Effective Date: 10/28/2020	\$68,649,875
Rounded	\$457,333	\$68,600,000

Completed by NKF



Hypothetical Income Restricted Analysis

The income capitalization approach reflects the subject’s income-producing capabilities. This approach is assuming that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized direct capitalization only because investors and market participants typically rely more on this method.

Income and Rent Limits

Within the subject property 50 units have 80% AMI income/rent restrictions, 50 have 100% AMI restrictions, and 50 have 120% AMI restrictions.

The restricted value program rents are set to the lesser of market rents, or the appropriate area median income for the percentage class. In the case of the subject property, the market rents are less in the 100%AMI (1BR units) and 120% AMI class, so the restricted program rents would be constrained by our concluded market rents for this analysis. The pro forma rental rates are presented on the following page:

Unit Mix By Income & Rent Restriction Type

Bedroom Size Unit Type	Total Units	80% AMI Rent 33% of Units	100% AMI Rent 33% of Units	120% AMI Rent 33% of Units
1 BR	43	15	14	14
2 BR	95	31	32	32
3 BR	12	4	4	4
Total Units	150	50	50	50
<i>Check: Units in PF</i>	<i>100.0%</i>	<i>33.3%</i>	<i>33.3%</i>	<i>33.3%</i>



Net Rent By Unit By Income Level

Unit Size	HH Size	80% AMI Rent	100% AMI Rent	120% AMI Rent
1 BR	2	2,102	2,628	3,154
2 BR	3	2,366	2,958	3,549
3 BR	4	2,627	3,284	3,941

HUD 2020 Income

HH Occupancy	80% AMI	100% AMI	120% AMI
2	72,080	90,100	108,120
3	81,120	101,400	121,680
4	90,080	112,600	135,120

Average Restricted Rent by Plan

Maximum Gross Rents	1BR	Units	Total	2BR	Units	Total	3BR	Total
80% AMI	\$2,102	15	\$31,530	\$2,366	31	\$73,346	\$2,627	\$10,508
100% AMI	\$2,400	14	\$33,600	\$2,958	32	\$94,656	\$3,284	\$13,136
120% AMI	\$2,400	14	\$33,600	\$3,050	32	\$97,600	\$3,500	\$14,000
Totals		43	\$98,730		95	\$265,602		\$37,644
Average Rent			\$2,296			\$2,796		\$3,137

Compiled by NKF

Based upon the indicated pro forma rental rates for each unit type and the 100% (1BR units) and 120% AMI units at our concluded market rents, total potential rental income is estimated at \$4,823,712 annually. This potential rental income conclusion is utilized in the Direct Capitalization analysis that follows:



Income Capitalization Approach

Summary of Stabilized Net Operating Income

Item Description	% of Income	\$ / Unit	Total \$
Multifamily Revenue 150 Units			
Rental Income		\$32,158	\$4,823,712
Loss to Lease	-3.00%	(\$965)	(\$144,711)
Concessions	-1.00%	(\$322)	(\$48,237)
Potential Rental Income		\$30,872	\$4,630,764
Vacancy	-4.00%	(\$1,235)	(\$185,231)
Collection Loss	-1.00%	(\$309)	(\$46,308)
Effective Rental Income		\$29,328	\$4,399,225
Net Expense Reimbursements		\$950	\$142,500
Net Parking Income		\$100	\$15,000
Net Other Income		\$450	\$67,500
Effective Gross Income		\$30,828	\$4,624,225

Operating Expenses		150 Units	
Real Estate Taxes		\$398	\$59,746
Insurance		\$500	\$75,000
Utilities		\$1,250	\$187,500
Repairs and Maintenance		\$1,000	\$150,000
Payroll and Benefits		\$2,000	\$300,000
Non-Revenue Units		\$700	\$105,000
General and Administrative Management	2.50%	\$771	\$115,606
Replacement Reserves		\$250	\$37,500
Total Operating Expenses	26.17%	\$8,069	\$1,210,352
Net Operating Income		\$22,759	\$3,413,874

Direct Capitalization Method

Value Indication	\$ / Unit	Total \$
Stabilized Net Operating Income	\$22,759	\$3,413,874
Overall Capitalization Rate		4.25%
As Stabilized Value	Effective Date: 10/28/2020	\$80,326,440
Rounded	\$535,333	\$80,300,000

Valuation Matrix

OAR	Value
3.75%	\$91,036,632
4.00%	\$85,346,843
4.25%	\$80,326,440
4.50%	\$75,863,860
4.75%	\$71,871,025

As Is

Hypothetical As Stabilized Value as of Current Date	Effective Date: 10/28/2020	\$80,326,440
Retail Value		\$3,000,000
As Is Value	Effective Date: 10/28/2020	\$83,326,440
Rounded	\$555,333	\$83,300,000

Compiled by NKF



Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications		
Market Value Premise	As Is	Hypothetical Market Value
As of Date:	October 28, 2020	with Restricted Rents
		October 28, 2020
Cost Approach:	Not Used	Not Used
Sales Comparison Approach:	\$66,000,000	Not Used
Income Capitalization Approach:	\$68,600,000	\$80,300,000
Market Value Conclusion	\$66,000,000	\$80,300,000

Compiled by NKF

The contract price of \$66,000,000 is considered a market value and has been given strong emphasis in our As Is conclusion.

Cost Approach

The Cost Approach has best applicability for properties with new or nearly new improvements. It is a summation approach in that the underlying land value is added to the depreciated replacement cost for the indicated value. In this case, the cost approach was not utilized due to the age of the improvements which results in significant depreciation thereby reducing the reliability of this approach.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales was obtained and the adjustment process was well founded by reasoning and direct evidence. Although this analysis is considered to be well founded and reliable, the subject property is an income producing property and the sales comparison approach, like the cost approach, is limited in its ability to directly consider the income levels of the subject and the sales. Accordingly, secondary weight is given to the sales comparison approach.

Income Capitalization Approach

The subject property is an apartment property. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. Both direct



capitalization and discounted cash flow analyses were developed. Market rent was well established by reasonably similar lease data. The property has a stable history and both income and expense estimates track with historical trends. Capitalization rates were developed from a number of sources including the sales used in the sales comparison approach. Discount and terminal capitalization rates were developed from investor surveys and market participant data. In total, the income capitalization approach is considered to be most applicable to the subject and most reliable. This approach is given greatest weight for that reason.

Value Conclusions			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	10/28/2020	\$66,000,000
Hypothetical Market Value with Restricted Rents	Leased Fee	10/28/2020	\$80,300,000

Compiled by NKF

Extraordinary Assumptions and Hypothetical Conditions
 An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. Our analysis was completed under the hypothetical assumption that there is a n affordable housing covenant agreement in place restricting the rents. Based upon terms of these agreements, the concluded income restricted value of the subject property is not reflective of a market value for the asset. We have relied upon information provided by the buyer in concluding to a prospective hypothetical value in this analysis and assume the information provided to us is reflective of the actual terms that will be in place upon commencement of the agreements.
2. The income restriction and ownership entity result in no ad valorem real estate taxes which significant increases the value of the asset.

The use of these hypothetical conditions might have affected assignment results.

Compiled by NKF

Exposure Time

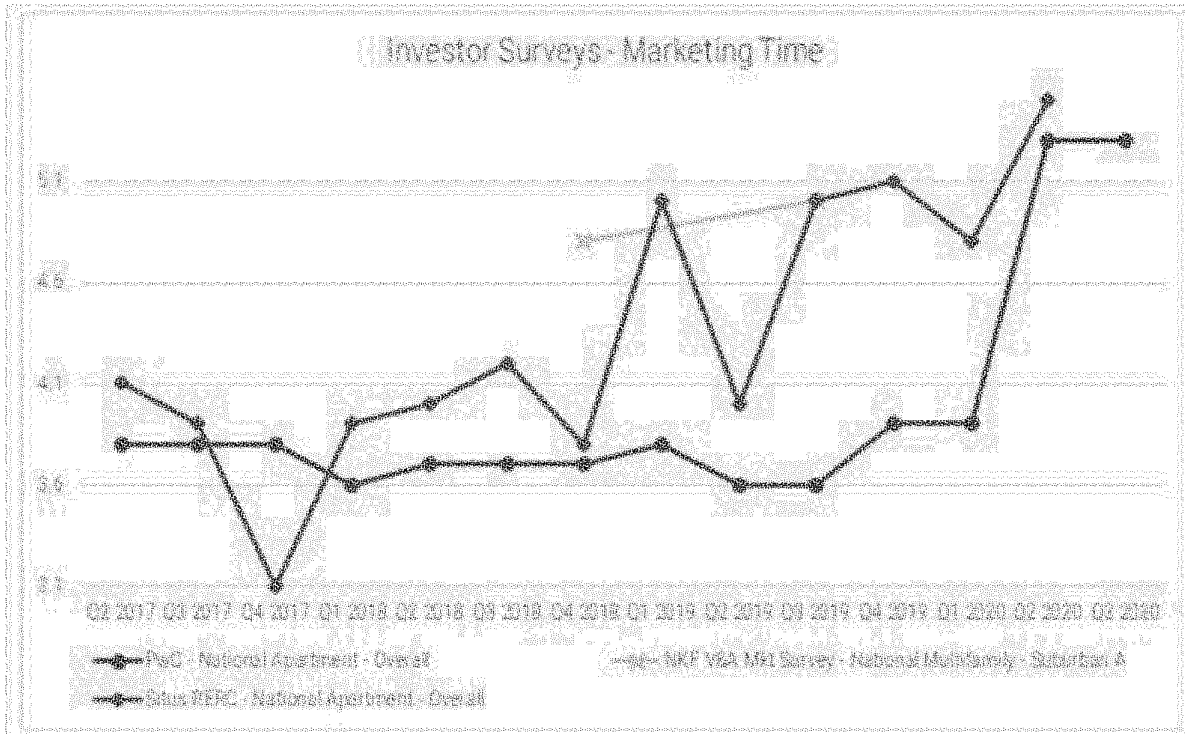
Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

The following is national investor survey data which is one source for the underlying data to this conclusion.



Investor Surveys - Marketing Times				
Source	Period	Low	High	Average
PwC - National Apartment - Overall	Q3 2020	1.0	12.0	5.3
NKF V&A Mkt Survey - National Multifamily - Suburban A	Q3 2019	N/A	N/A	5.0
Situs RERC - National Apartment - Overall	Q2 2020	N/A	N/A	5.5

Compiled by NKF



Recent sales transaction data for similar properties, supply and demand characteristics for the local multifamily market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market values stated previously is 6 to 12 months.

Marketing Time

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject’s marketing period at 6 to 12 months.



Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein “Report”) is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein “Property”) is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a



substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.
6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.
8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.
10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.
11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and



underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.



Addendum A
Glossary of Terms



Addenda

The following definitions are derived from *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015).

- ❖ **Absorption Period:** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ❖ **Absorption Rate:** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ❖ **Ad Valorem Tax:** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ❖ **Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ❖ **Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ❖ **Contract Rent:** The actual rental income specified in a lease.
- ❖ **Disposition Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ❖ **Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ❖ **Excess Land:** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also **surplus land**.



Addenda

- ❖ **Excess Rent:** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.
- ❖ **Exposure Time:** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.
- ❖ **Extraordinary Assumption:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also *hypothetical condition*.
- ❖ **Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.
- ❖ **Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.
- ❖ **Frictional Vacancy:** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.
- ❖ **Full Service Lease:** See *gross lease*.
- ❖ **General Vacancy:** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.
- ❖ **Going-Concern Premise:** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).
- ❖ **Going Concern Value:** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.
- ❖ **Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically, does not include garage space.



Addenda

- ❖ **Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.
- ❖ **Hypothetical Condition:** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. See also **extraordinary assumption**.
- ❖ **Intended Users:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)
- ❖ **Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])
- ❖ **Land-to-Building Ratio:** The proportion of land area to gross building area; one of the factors determining comparability of properties.
- ❖ **Lease:** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.
- ❖ **Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.
- ❖ **Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.
- ❖ **Lessee:** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.
- ❖ **Lessor:** One who conveys the rights of occupancy and use to others under a lease agreement.
- ❖ **Liquidation Value:** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone



Addenda

associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.

- ❖ **Market Rent:** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- ❖ **Market Value:** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. ²
- ❖ **Market Value of the Going Concern:** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.
- ❖ **Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.
- ❖ **Modified Gross Lease:** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.
- ❖ **Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also **gross lease;** **modified gross lease.**
- ❖ **Net Net Net Lease:** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.

² The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.



Addenda

- ❖ **Occupancy Rate:** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.
- ❖ **Overage Rent:** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.
- ❖ **Percentage Rent:** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.
- ❖ **Prospective Opinion of Value:** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.
- ❖ **Rentable Area:** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.
- ❖ **Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."
- ❖ **Shell Rent:** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.
- ❖ **Surplus Land:** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also **excess land**.
- ❖ **Turnover Vacancy:** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.



Addenda

- ◆ **Usable Area:** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

- ◆ **Use Value:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also **value in use**.

- ◆ **Value In Use:** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also **use value**.

- ◆ **Value Indication:** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.



Addendum B
Engagement Letter





October 20, 2020

Geoffrey Moen
Director, West Coast Division
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AGENCY, C/O STANDARD
COMMUNITIES
1901 Avenue of the Stars, Suite 395
Los Angeles, CA 90067

Phone: 310-601-4617
Email: gmoen@standard-companies.com

Re: Appraisal of the property described as:
Renaissance at City Center, a 150 unit multifamily complex built in 2013 located at 21800
Avalon Boulevard in Carson, CA ("**Property**")

Dear Mr. Moen:

Newmark Knight Frank Valuation & Advisory, LLC ("**Firm**") agrees to provide California Statewide Communities Development Agency, c/o Standard Communities ("**Client**") an appraisal of the above Property in accordance with, and subject to, the terms and conditions set forth below and in the attached Schedules (collectively, "**Agreement**").

APPRAISAL FEE: \$10,000.00 (inclusive of expenses).

ADDITIONAL HOURLY FEES: None

RETAINER: None

REPORT DELIVERABLES: The appraisal report shall be delivered in electronic format (typically, pdf). One original hard copy of the final appraisal will be provided to Client upon request.

COMMENCEMENT AND DELIVERY DATE: Delivery is as follows:
Appraisal report: two (2) weeks

The appraisal process will commence upon receipt by the Firm of (i) this Agreement, signed by Client, (ii) the retainer, and (iii) information and materials identified in Schedule "B." The appraisal process will conclude upon delivery of the final appraisal report, unless terminated sooner by the Firm or Client or as provided herein.

REPORT TYPE: Appraisal Report

VALUATION PREMISE: Market Value – As Is
Hypothetical Value at Income Restricted Rents

INTEREST IN THE
PROPERTY APPRAISED: Leased Fee Interest

DATE(S) OF VALUE: Current as of: the Date of Inspection

INTENDED USER(S): Intended users of the appraisal include only Client and the following parties: California Statewide Communities Development Agency, c/o Standard Communities, and no other party is permitted to use or rely on the appraisal. (“**Intended Users**”), and no other party is permitted to use or rely on the appraisal. The identification of Intended User(s) of the appraisal is to determine the type and extent of research, analysis and reporting appropriate for the assignment. Designation of a party other than Client as an Intended User is not intended to confer upon such party any rights under this Agreement.

INTENDED USE: The intended use of the appraisal is solely for financing purposes (“**Intended Use**”) and no other use.

RELIANCE LANGUAGE: None

GUIDELINES: The analyses, opinions and conclusions are to be developed based on, and the appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation.

SCOPE OF WORK: The appraiser will use and properly apply all applicable and appropriate approaches to value sufficient to produce credible assignment results. The scope of the analysis will be appropriate for the appraisal problem.

Cost Approach
Sales Comparison Approach
Income Capitalization Approach

ASSUMPTIONS/
LIMITING CONDITIONS: The appraisal will be subject to Firm’s standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal report. In addition, the appraisal may be subject to, and the appraisal report may contain, Extraordinary Assumptions and Hypothetical Conditions.

ACCEPTANCE: This shall constitute a binding agreement only if countersigned by the Client, or by an officer, director or other representative of Client who, by signing and accepting this Agreement, represents and warrants that he/she is authorized by Client to do so.

PAYMENT: Client will be invoiced the appraisal fee (and any expenses) which will be earned in full upon initial delivery of the appraisal report (draft or final), with such appraisal fee (and expenses) payable within 30 days of invoicing.

Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analysis, opinions, conclusions or use of the appraisal.

CHANGES TO THE AGREEMENT: Any significant changes to the assignment as outlined in this Agreement, such as the identity of the Client, Intended User, or Intended Use, will require the preparation and execution of a new Agreement.

CANCELLATION OF ASSIGNMENT: Client may cancel this Agreement at any time prior to the Firm's delivery of the appraisal upon written notification to the Firm. Client shall pay Firm for all work completed on the assignment prior to Firm's receipt of such written cancellation notice, unless otherwise agreed upon by Firm and Client in writing. The Firm may withdraw without penalty or liability from the assignment(s) contemplated by the Agreement before completion or reporting if the Firm determines, in the Firm's sole discretion, that incomplete information was provided to the Firm prior to the engagement, that Client or other parties have not or cannot provide documentation or information necessary to the Firm's analysis or reporting, that conditions of the Property render the original scope of work inappropriate, that a conflict of interest has arisen, or that Client has not complied with its payment obligations under this Agreement. The Firm shall notify Client of such withdrawal in writing.

NO THIRD-PARTY BENEFICIARIES: Nothing in the Agreement shall create a contractual relationship or any legal duty between Firm or Client and any third party, nor any cause of action, right, or claim in favor of any third party and against Firm or Client. In addition, this Agreement is not intended to, and shall not be construed to, render any person or entity a third-party beneficiary of this Agreement. Client acknowledges and agrees that the appraisal report shall reflect the foregoing. In

addition, the appraisal report shall state that no party other than an Intended User identified in the Agreement is entitled to rely upon the appraisal.

This Agreement may be rescinded by the Firm unless signed and returned to the undersigned within 10 days from the date hereof.

If this Agreement correctly sets forth the Client's understanding of the services to be rendered, and if the terms are satisfactory, please execute and return the Agreement together with any required retainer.

Respectfully,



Brian P. Hegarty, MAI
Senior Vice President
Certified General Appraiser
License No. AG - 030406
brian.hegarty@ngkf.com
415-445-5181
415-531-0368

Agreed:
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AGENCY, C/O STANDARD
COMMUNITIES

SIGNATURE:



PRINT NAME:

Geoffrey Moen

TITLE:

Director of West Coast Production

DATE:

10/20/2020

Schedule "A"

TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE AGREEMENT DATED OCTOBER 20, 2020 TO PROVIDE APPRAISAL SERVICES FOR CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AGENCY, C/O STANDARD COMMUNITIES

1. These Terms and Conditions are attached to and incorporated into the above referenced Agreement as though fully set forth in full therein. Capitalized terms if not defined herein shall have the same meaning as defined in the Agreement.
2. With respect to any appraisal report, use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by the Firm, constitutes acceptance of these Terms and Conditions as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the Agreement and appraisal report.
3. It is assumed that there are no matters affecting the Property that would require the expertise of other professionals, such as engineers or an environmental consultant, for Firm to provide the appraisal. If such additional expertise is required, it shall be provided by other parties retained by Client at Client's sole cost and expense.
4. Client acknowledges that the Firm is being retained as an independent contractor to provide the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Firm and Client, including but not limited to an agency relationship. The parties neither intend nor have any expectation that any such relationship will arise as a matter of law or as a result of this Agreement. This assignment shall be deemed concluded and the services hereunder completed upon delivery of the appraisal described herein to Client.
5. All statements of fact contained in the appraisal report as a basis of the appraiser's analyses, opinions, and conclusions will be true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to, and shall rely upon the accuracy of information and material furnished to the Firm by Client. Appraiser is also entitled to, and shall, rely on information provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by members of that profession without independent verification.
6. The Firm and the appraiser shall have no responsibility for legal matters, or questions or issues involving survey or title, soil or subsoil conditions, engineering, zoning, buildability, environmental contamination, structural matters, construction defects, material or methodology, or other similar technical matters with regarding the Property. Furthermore, the appraisal will not constitute a survey of the Property.
7. The appraisal and the data and information gathered in its preparation (other than the confidential data and information provided by Client) is and will remain, the property of the Firm. The Firm shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished by Client to the Firm. Notwithstanding the foregoing, the Firm and the appraiser are authorized by Client to disclose all or any portion of the appraisal and appraisal report

and the related data and information, including confidential data and information provided by Client, to appropriate representatives of the Appraisal Institute if such disclosure is required to comply with the Standards, Bylaws and Regulations of the Appraisal Institute, as well as, such disclosure as required by law and regulations, including compliance with a subpoena and licensing authority regulatory inquiries. The Firm is also authorized to include both confidential and non-confidential data assembled in the course of preparing the appraisal and which may be incorporated into the appraisal report in a database controlled by the Firm for the aggregation of such data and information to produce analytics and other metrics or products.

8. Unless specifically noted in the appraisal report, the appraisal will not take into consideration the possibility or probability of the existence of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material) at on or in the Property, or the cost of encapsulation, removal or remediation thereof.
9. Client shall indemnify, defend (by counsel to be selected by Firm), protect, and hold Firm and Firm's appraisers, agents, employees, affiliates, representatives, successors and assigns (each, a "Firm Party"), free and harmless from any and all claims, liabilities, losses, penalties, fines, forfeitures, amounts paid in settlement, judgments, and all reasonable attorneys' fees and related litigation costs, fees and expenses incurred by the any of such indemnitees, which result from (i) any failure by Client or Client's agents or representatives to provide Firm with complete and accurate information regarding the Property; (ii) any material breach by Client of the provisions of the Agreement; (iii) if delivery of the appraisal to a third party is permitted by the Firm, Client providing an incomplete copy of the appraisal to such third party; or (iv) arising from Client or Client's agents or representatives providing a copy of the appraisal to a party not authorized by the Firm to receive such copy.
10. In preparing the appraisal, it is possible that the appraiser will discover conflicting information. In that event, appraiser will utilize information and data considered to be the most authoritative and for critical information will document the source. Information and data referred to may include, but is not limited to, legal descriptions; physical street addresses; assessor parcel numbers; property history; dimensions and areas of the site/land; dimensions and areas of the building improvements; physical unit counts; rent rolls; leases; lease abstracts; income and expense data; and any other related data. Any material discrepancy and/or error in any of the above data could have a substantial impact on the conclusions reported, and the Firm therefore reserves the right to amend conclusions reported if the Firm is made aware of any such discrepancy and/or error.
11. The appraisal may not be used, included or referenced, in whole or in part, in any offering or other materials without the prior written consent of the Firm, which consent may be conditioned upon the receipt by the Firm of an indemnity agreement, in form and content, satisfactory to Firm and provided by an indemnitor satisfactory to Firm. Client agrees to pay the fees of the Firm's legal counsel for review of any materials which is the subject of the requested consent. Except as agreed by the Firm expressly in writing, the Firm disclaims liability to any party other than Client.
12. The Firm shall not provide a copy of the appraisal to, or disclose the results of the appraisal to, any party other than Client, unless Client authorizes same, except as provided in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) or as otherwise required by law or regulations.

13. Client and any other identified Intended User should consider the appraisal as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors.
14. Unless otherwise stated in this Agreement, Client agrees that the services pursuant to this Agreement shall not include participation in or preparation for, or attendance at, any legal, judicial, administrative, or arbitration proceeding relating to this assignment. In the event the Firm or any Firm Party is required, whether through the service of a subpoena or otherwise, to produce documents or participate in or prepare for any discovery, testimony or attendance, relating to the appraisal or this assignment, where the Firm or Firm Party is not a party to the action or proceedings involved, Client agrees to reimburse expenses incurred by the Firm or Firm Party, including attorney's fees, in responding to such subpoena or other legal process and compensate the Firm therefor based upon the appraiser's prevailing hourly or daily rate for providing services as an expert consultant or witness.
15. Except as expressly provided herein, Firm makes no representations or warranties to Client or to any other person or entity with respect to the appraisal and the services to be provided by Firm under this Agreement. To the maximum extent permitted under applicable law, in no event will the Firm or any Firm Party be liable to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) for any indirect, special, exemplary, incidental, or consequential damages (including loss of profits) arising from or relating to this Agreement or the appraisal, even if such party knew or should have known of the possibility of, or could reasonably have prevented, such damages. In no event shall the total liability of the Firm or any Firm Party to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) arising from or relating to this Agreement or the appraisal, whether based on tort, contract, or any other legal theory, exceed the amount of fees paid to the Firm for the appraisal and the services described herein. Legal claims or causes of action relating to the appraisal are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.
16. Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. In view of that requirement, the appraisal may not be accepted by a federally regulated financial institution.
17. In the event Client fails to make payments of any fees or sums when due and payable under this Agreement; then from the date due and payable until paid, the amount due and payable shall bear interest at the maximum rate permitted under the laws of the state in which the Property is located. If the Firm is required to undertake collection efforts including institution of legal action against Client

relating to the Agreement, the Firm shall be entitled to recover attorney's fees, litigation expenses, and costs from Client.

18. To the extent permitted under applicable law, any legal action or lawsuit or other proceeding by Client or any Intended User of the appraisal against Firm or a Firm Party whether based in contract, tort, warranty, indemnity or otherwise, relating to the appraisal shall be commenced within two (2) years from the date of delivery of the appraisal to the claimant in such action or proceeding, unless the applicable law provides for a shorter period, and any such claimant waives the right to a jury in any such legal action or lawsuit or other proceeding. Notwithstanding the state of domicile or residency of either party to this Agreement, this Agreement shall be governed and construed under the laws of the state in which the Property is located, and venue for any action or proceeding arising out of this Agreement shall be deemed proper only in the court of competent jurisdiction located in the state in which the Property is located.
19. Throughout the performance of services under this Agreement, the Firm shall maintain at its sole cost and expense the following insurance:
 - (a) Workers' Compensation, so as to provide statutory benefits as required by the laws of each state within the United States in which the Firm's services are being provided, and Employer's Liability insurance with limits of liability of \$1,000,000 each accident, \$1,000,000 disease each employee and \$1,000,000 disease policy limit covering all employees of the Firm engaged in the performance of such services.
 - (b) Fidelity insurance or bond with a limit of \$1,000,000 to insure the Firm against loss of its or Client's assets caused from the dishonest acts of the Firm's employees.
 - (c) Professional Liability insurance with a limit of liability of \$1,000,000 each claim and \$1,000,000 aggregate, which limits may be provided by a combination of primary and excess policies.
 - (d) Commercial General Liability insurance providing coverage against damages due to bodily injury (including death), property damage and personal and advertising injury arising in connection with the Firm's services provided under this Agreement, which insurance coverage shall: (i) be occurrence-based; (ii) provide limits of liability in an amount of \$1,000,000 each occurrence and \$1,000,000 aggregate (including excess and/or umbrella limits), (iii) include at least those coverages generally included in the most current ISO Commercial General Liability insurance policy form (or its equivalent); and (iv) include Client, and such other persons or entities as Client has identified in writing, as additional insureds solely with regard to claims arising out of this Agreement.
 - (e) Commercial automobile liability for owned, hired and non-owned motor vehicles, with a \$1,000,000 combined single limit.

Schedule "B"

PROPERTY INFORMATION LIST

ATTACHED TO AND A PART OF THE AGREEMENT DATED OCTOBER 20, 2020 TO PROVIDE APPRAISAL SERVICES FOR CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AGENCY, C/O STANDARD COMMUNITIES

The following information is requested to be delivered to the Firm so we can provide the proposed services and prepare the Appraisal within the agreed upon time frame. Please forward the physical data such as the site plan, previous engineering reports and/or property reports describing the physical attributes of the Property and all financial information such as rent roll and income and expense statements first as these items are the most time sensitive and should be received immediately to meet the time requirements of this assignment. If, at this time, you are certain you will not be providing any specific items noted below, please cross out the item and mark "NA" next to the item so that we will be notified that the information is not available and will not be forthcoming.

1. ~~Please indicate whether Newmark Knight Frank is sales broker, leasing broker or property manager for the subject property.~~
2. Site plan, if available. (Preferably, an AS BUILT PLAN showing an outline of building/s drawn to scale. Please do not send reductions so original scale may be used for measurement purposes.
3. Building plans, if available.
4. Prior engineering report or physical descriptions from prior appraisals or asset management report, if available.
5. Leasing brochures and/or other marketing materials, if available.
6. If the Property has been offered for sale within the last two years, a copy of the offering memorandum or investment book.
7. Past feasibility or market studies and economic impact studies as well as any relevant information collected from third party sources.
8. Agreements of Sale/Options to Buy (current or during last three years), if any.
9. Income and expense statements for the past three years plus year-to-date income and expense statements.
10. Operating budget for current and next year, if available.
11. Management contracts.
12. Copy of most recent real estate tax bill. Please advise if there has been a notice or inquiry by either the County Assessment Board or the School Board regarding the property assessment. Is there any pending litigation or negotiations with these parties that could result in an assessment increase or decrease?

13. Title report, Legal Description, or copy of deed. Provide a written statement of five-year history of legal property owner. Please advise, if there any deed restrictions or encumbrances, easements or cross easements.
14. Personal property inventory, if available.
15. Occupancy rates for the last three years, if not revealed in the financial statements.
16. Ground leases, if any.
17. Approximate actual construction costs, if built during the past three years.
18. Environmental audits and studies disclosing any wetlands, hazardous wastes or other environmental conditions such as asbestos or radon.
19. List of any known major repairs and improvements needed.
20. Three-year history of capital improvements.
21. Name of contact person for the on-site physical inspection.
22. Unit mix showing rentable area and asking rent by unit type
23. Scaled apartment unit plans showing layouts and measurements so that rentable area can be confirmed, if available.
24. Rent roll showing tenant name, apartment number, dates of leases and the type of apartment, asking/market rents for each apartment, and contractual rent for each apartment unit. (It would be greatly appreciated if you can provide the rent roll in Excel.)
25. Terms of leases and/rent roll for leased commercial space or roof top rentals. Copies of commercial leases are desirable. If any commercial leases provide for pass through of operating expenses over a base year stop, please provide the dollar amount of the base year stop.

Addendum C

Financials and Property Information



Rent Roll with Lease Charges

Renaissance at City Center Retail (a02)
As Of = 09/10/2020
Month Year = 09/2020

Unit	Unit Type	Unit Sq Ft	Resident Name	Market Charge Rent Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move Out	Balance	
Current/Notice/Vacant Residents												
100	A02_RTL1	1,327.00	10031481 European Wax	2,654.00 CAM	862.55	0.00	0.00	11/01/2017	10/31/2027		17,307.35	
				RETAIL	2,720.35							
				Total	3,582.90							
101	A02_RTL2	3,718.00	10031180 Massage Envy	7,436.00 CAM	2,416.70	0.00	0.00	11/01/2017	10/31/2027		78,373.00	
				RETAIL	7,621.90							
				Total	10,038.60							
102	A02_RTL3	1,300.00	10001171 Hands and Feet Nail Spa	3,064.25 CAM	845.00	3,770.00	0.00	02/28/2015	03/13/2025		20,859.42	
				RETAIL	3,349.39							
				Total	4,193.99							
103	A02_RTL4	975.00	10001172 Johanna Martinez	1,482.00 CAM	633.75	4,231.50	0.00	05/12/2015	06/17/2026		566.38	
				RETAIL	1,649.00							
				Total	2,301.75							
104	A02_RTL5	1,000.00	VACANT VACANT	1,506.00	0.00	0.00	0.00				0.00	
				Total	0.00							
105	A02_RTL6	1,650.00	10052005 btone Fitness	2,887.50 RETAIL	3,482.50	0.00	0.00	03/01/2019	02/29/2024		-1,155.00	
				CAM	1,072.50							
				Total	4,455.00							
106	A02_RTL7	1,000.00	10001174 Gregory Owens Insurance & Financial	1,500.00 CAM	650.00	1,500.00	0.00	05/01/2016	04/30/2019		-2,324.72	
				RETAIL	1,591.35							
				Total	2,241.35							
107	A02_RTL8	1,736.00	10001175 Fresh & Meaty Burgers Inc	2,136.00 CAM	1,128.40	5,832.00	0.00	05/12/2015	02/12/2021		3,412.59	
				RETAIL	2,314.06							
				Total	3,462.46							
Total Renaissance at City Center Retail (a02)				22,659.75	30,275.45	15,333.50	0.00				117,049.02	
Summary Groups				Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% Sqft Occupied	Balance
Current/Notice/Vacant Residents				12,706.00	22,659.75	30,275.45	15,333.50	0.00	9.00	87.50	92.12	117,049.02
Future Residents/Applicants				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Thursday, September 10, 2020
01:52 PM

Rent Roll with Lease Charges

Renaissance at City Center Retail (a02)
As Of = 09/10/2020
Month Year = 09/2020

Unit	Unit Type	Unit Resident Sq Ft	Name	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance		
Occupied Units												
				11,706.00	21,159.75			7	87.50	92.12		
Total Non Rev Units												
				0.00	0.00			0	0.00	0.00		
Total Vacant Units												
				1,000.00	1,500.00			1	12.50	7.97		
Totals:				12,706.00	22,659.75	30,275.45	15,333.50	0.00	8	100.00	100.00	117,049.02

Summary of Charges by Charge Code (Current/Notice Residents Only)

Charge Code	Amount
CAM	7,608.90
RETAIL	22,656.55
Total	30,275.45

Thursday, September 10, 2020
01:59 PM

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
Current/Notice/Vacant Residents									
0202	A01_11C	719.00 t0399261	2,690.00 RENT	2,405.00	750.00	0.00	12/27/2018	12/26/2020	0.00
			Total	2,405.00					
0203	A01_22D	1,163.00 MODEL	3,220.00	0.00	0.00	0.00			0.00
			Total	0.00					
0204	A01_22C	951.00 t0428374	2,970.00 STORAGE	65.00	1,000.00	500.00	03/09/2019	03/08/2021	0.00
			PETFEE	50.00					
			RENT	2,769.00					
			Total	2,884.00					
0205	A01_32A	1,319.00 t0363388	3,555.00 RENT	3,479.00	1,000.00	0.00	10/13/2018	10/12/2020	7,480.65
			Total	3,479.00					
0206	A01_22C	951.00 t0015695	2,970.00 RENT	2,730.00	1,000.00	0.00	04/22/2017	04/21/2021	3,110.80
			Total	2,730.00					
0207	A01_22C	951.00 t0049401	2,995.00 RENT	2,819.00	1,000.00	0.00	07/09/2019	07/08/2021	2,900.50
			Total	2,819.00					
0208	A01_22C	951.00 t0031618	2,970.00 STORAGE	65.00	1,000.00	0.00	07/14/2017	07/13/2021	2,965.50
			RENT	2,794.00					
			Total	2,859.00					
0209	A01_22B	950.00 t0001109	3,045.00 STORAGE	65.00	4,300.00	500.00	03/01/2016	06/30/2020	12,628.38
			RENT	2,594.00					
			Total	2,659.00					
0210	A01_22D	1,163.00 t0054669	3,195.00 STORAGE	65.00	199.00	0.00	12/01/2019	08/31/2020	3,000.12
			PARKING	50.00					
			STORAGE	65.00					
			STORAGE	65.00					
			RENT	2,665.00					
			Total	2,910.00					
0211	A01_22B	950.00 t0065969	3,045.00 STORAGE	65.00	1,000.00	0.00	04/30/2020	09/29/2020	0.00

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
			RENT	2,595.00					
			Total	2,660.00					
0212	A01_32A	1,319.00 t0294502	3,540.00 RENT	3,605.00	3,439.00	0.00	08/25/2018 02/24/2020		3,745.77
			Total	3,605.00					
0213	A01_11B	663.00 t0150862	2,665.00 RENT	2,299.00	750.00	0.00	03/21/2018 03/20/2021		2,349.49
			Total	2,299.00					
0214	A01_22A	876.00 t0001030	2,870.00 RENT	2,520.00	1,000.00	0.00	09/07/2013 09/30/2021		2,579.16
			Total	2,520.00					
0215	A01_11B	663.00 t0501412	2,665.00 PARKING	65.00	750.00	0.00	05/18/2019 11/17/2020		0.00
			RENT	2,309.00					
			Total	2,374.00					
0216	A01_22A	876.00 t0001161	2,870.00 RENT	2,519.00	1,000.00	500.00	12/15/2016 12/14/2020		0.00
			Total	2,519.00					
0217	A01_11B	663.00 t0001143	2,665.00 RENT	2,309.00	750.00	0.00	09/01/2016 08/31/2021		2,378.79
			Total	2,309.00					
0218	A01_22A	876.00 t0341124	2,870.00 RENT	2,594.00	1,000.00	0.00	09/15/2018 09/14/2021		0.00
			Total	2,594.00					
0219	A01_22B	950.00 t0635763	2,945.00 RENT	2,722.00	1,000.00	50.00	10/07/2019 10/06/2020		2,853.46
			Total	2,722.00					
0220	A01_22A	876.00 t0057270	2,870.00 RENT	2,465.00	199.00	500.00	02/01/2020 01/31/2021		2,612.76
			PARKING	50.00					
			Total	2,515.00					
0221	A01_22B	950.00 VACANT	3,045.00	0.00	0.00	0.00			0.00
			Total	0.00					
0222	A01_11A	587.00 t0071743	2,565.00 RENT	2,190.00	750.00	0.00	06/24/2020 12/23/2020		0.00
			Total	2,190.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance	
0223	A01_22B	950.00 t0066032	3,045.00 RENT	2,595.00	1,000.00	0.00	05/01/2020	04/30/2021	0.00	
			Total	2,595.00						
0224	A01_22A	876.00 t0077976	2,870.00 RENT	2,600.00	1,000.00	0.00	08/27/2020	08/26/2021	478.00	
			Total	2,600.00						
0225	A01_22B	950.00 t0071980	3,045.00 RENT	2,940.00	2,940.00	0.00	07/01/2020	06/30/2021	300.00	
			Total	2,940.00						
0226	A01_22A	876.00 t0435555	2,870.00 RENT	2,590.00	1,000.00	0.00	03/12/2019	03/11/2021	0.00	
			Total	2,590.00						
0227	A01_11B	663.00 t0001062	2,665.00 PARKING RENT	50.00 2,203.00	750.00	0.00	12/07/2014	12/31/2020	2,322.79	
			Total	2,253.00						
0228	A01_22A	876.00 t0614495	2,870.00 RENT	2,594.00	1,000.00	0.00	10/04/2019	10/03/2020	10/03/2020	368.05
			Total	2,594.00						
0229	A01_22B	950.00 t0023106	3,045.00 STORAGE RENT	65.00 2,870.00	1,000.00	0.00	05/12/2017	05/11/2021	0.00	
			Total	2,935.00						
0230	A01_32A	1,319.00 t0067786	3,555.00 RENT STORAGE STORAGE	2,999.00 65.00 65.00	2,999.00	0.00	06/06/2020	06/05/2021	3,206.17	
			Total	3,129.00						
0231	A01_22B	950.00 t0065200	3,045.00 RENT	2,675.00	1,000.00	0.00	04/22/2020	04/21/2021	5,629.05	
			Total	2,675.00						
0232	A01_22C	951.00 t0068389	2,970.00 RENT PARKING	2,695.00 50.00	2,695.00	0.00	06/01/2020	05/30/2021	2,993.04	
			Total	2,745.00						
0233	A01_11B	663.00 t0049456	2,665.00 RENT	2,309.00	750.00	0.00	08/31/2019	08/30/2021	0.00	

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
			Total	2,309.00					
0234	A01_22D	1,163.00 t0066839	3,095.00 RENT	2,695.00	1,000.00	0.00 06/07/2020	06/06/2021	10/31/2020	90.12
			Total	2,695.00					
0235	A01_11B	663.00 t0067435	2,665.00 RENT	2,080.00	750.00	0.00 06/07/2020	06/06/2021		0.00
			Total	2,080.00					
0236	A01_22D	1,163.00 t0064061	3,195.00 RENT	2,690.00	3,690.00	0.00 05/06/2020	05/05/2021		2,845.12
			STORAGE	65.00					
			Total	2,755.00					
0237	A01_22B	950.00 t0462832	3,045.00 RENT	2,849.00	1,000.00	0.00 03/16/2019	03/15/2021		0.00
			Total	2,849.00					
0238	A01_32B	1,336.00 t0068025	3,605.00 RENT	3,099.00	1,000.00	0.00 06/22/2020	06/21/2021		3,215.46
			Total	3,099.00					
0239	A01_22D	1,163.00 t0396889	3,210.00 STORAGE	65.00	1,000.00	0.00 11/30/2018	11/29/2020		3,115.12
			RENT	2,960.00					
			Total	3,025.00					
0240	A01_22B	950.00 t0342896	3,045.00 RENT	2,788.00	1,000.00	0.00 09/26/2018	11/25/2020		2,883.66
			Total	2,788.00					
0241	A01_11C	719.00 t0066236	2,690.00 RENT	2,150.00	750.00	0.00 06/10/2020	06/09/2021		0.00
			Total	2,150.00					
0242	A01_22D	1,163.00 t0001142	3,220.00 RENT	3,023.00	0.00	0.00 12/06/2017	01/06/2018		0.00
			EMPRENT	-3,023.00					
			Total	0.00					
0243	A01_11C	719.00 t0069247	2,690.00 RENT	2,165.00	750.00	0.00 07/17/2020	05/16/2021		0.00
			Total	2,165.00					
0244	A01_22C	951.00 t0068426	2,895.00 RENT	2,680.00	2,680.00	0.00 06/13/2020	06/12/2021		0.00
			PARKING	50.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
			Total	2,730.00					
0245	A01_11C	719.00 t0001028	2,690.00 STORAGE	65.00	1,580.00	0.00 07/17/2013	07/31/2021		0.00
			RENT	2,258.00					
			Total	2,323.00					
0246	A01_22C	951.00 t0212297	2,995.00 RENT	2,755.00	1,000.00	0.00 05/01/2018	04/30/2020		10,794.27
			Total	2,755.00					
0247	A01_11C	719.00 t0001064	2,690.00 RENT	2,260.00	750.00	0.00 01/24/2015	01/31/2021		2,312.77
			Total	2,260.00					
0249	A01_11C	719.00 t0422824	2,690.00 RENT	2,355.00	750.00	0.00 02/25/2019	02/24/2021		0.00
			Total	2,355.00					
0301	A01_11B	663.00 t0061803	2,690.00 RENT	2,375.00	750.00	0.00 04/04/2020	04/03/2021		0.00
			Total	2,375.00					
0302	A01_11C	719.00 t0120987	2,740.00 RENT	2,360.00	199.00	0.00 12/16/2019	12/15/2020		-194.05
			STORAGE	65.00					
			PET FEE	50.00					
			PARKING	50.00					
			Total	2,525.00					
0303	A01_22D	1,163.00 t0416588	3,245.00 PARKING	50.00	1,000.00	1,000.00 01/12/2019	01/11/2021		2,916.86
			RENT	3,137.00					
			PARKING	50.00					
			Total	3,237.00					
0304	A01_22C	951.00 t0413796	3,020.00 PET FEE	50.00	1,000.00	500.00 01/03/2019	01/02/2021		3,093.51
			RENT	2,789.00					
			PARKING	50.00					
			PARKING	50.00					
			Total	2,939.00					
0305	A01_32A	1,319.00 t0067449	3,590.00 RENT	2,999.00	1,000.00	0.00 06/06/2020	12/05/2020		0.00
			Total	2,999.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
0306	A01_22C	951.00 t0001082	3,035.00 STORAGE	65.00	1,000.00	0.00	07/21/2015	05/31/2020	14,237.58
			RENT	2,730.00					
			Total	2,795.00					
0307	A01_22C	951.00 t0065119	3,035.00 RENT	2,665.00	1,000.00	1,000.00	04/17/2020	04/16/2021	0.00
			PETRENT	50.00					
			PETRENT	50.00					
			Total	2,765.00					
0308	A01_22C	951.00 t0432627	3,035.00 RENT	2,834.00	2,834.00	0.00	03/01/2019	02/28/2021	2,915.50
			Total	2,834.00					
0309	A01_22B	950.00 t0256553	3,070.00 RENT	2,874.00	1,000.00	0.00	07/10/2018	07/09/2021	25.00
			Total	2,874.00					
0310	A01_22D	1,163.00 t0326921	3,245.00 RENT	3,187.00	1,000.00	0.00	08/20/2018	02/19/2020	20,681.29
			Total	3,187.00					
0311	A01_22B	950.00 t0533471	3,070.00 RENT	3,074.00	2,874.00	0.00	05/31/2019	05/30/2020	3,180.46
			Total	3,074.00					
0312	A01_32A	1,319.00 t0441338	3,605.00 RENT	3,822.00	1,000.00	0.00	03/08/2019	03/07/2020	3,312.35
			PARKING	50.00					
			PARKING	50.00					
			Total	3,922.00					
0313	A01_11B	663.00 t0068547	2,690.00 RENT	2,135.00	750.00	0.00	06/01/2020	05/31/2021	0.00
			Total	2,135.00					
0314	A01_22A	876.00 t0080278	2,920.00 RENT	2,600.00	0.00	0.00	10/01/2020	09/30/2021	-2,600.00
			Total	2,600.00					
0315	A01_11B	663.00 t0590267	2,590.00 PARKING	50.00	199.00	0.00	09/01/2019	08/31/2021	2,314.79
			RENT	2,195.00					
			Total	2,245.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
0316	A01_22A	876.00 t0417441	2,920.00 STORAGE	65.00	1,000.00	0.00 02/11/2019	02/10/2021		2,904.16
			STORAGE	65.00					
			RENT	2,650.00					
			STORAGE	65.00					
			Total	2,845.00					
0317	A01_11B	663.00 t0069202	2,690.00 RENT	2,165.00	750.00	0.00 05/28/2020	05/27/2021		0.00
			Total	2,165.00					
0318	A01_22A	876.00 t0186462	2,920.00 RENT	2,594.00	1,000.00	0.00 04/23/2018	04/22/2021		2,672.46
			Total	2,594.00					
0319	A01_22B	950.00 t0076116	3,095.00 RENT	2,795.00	1,000.00	0.00 08/22/2020	08/21/2021		0.00
			CONCESS	-233.00					
			Total	2,562.00					
0320	A01_22A	876.00 t0053605	2,920.00 RENT	2,605.00	199.00	0.00 12/21/2019	12/20/2020		0.00
			Total	2,605.00					
0321	A01_22B	950.00 t0001051	3,070.00 RENT	2,635.00	1,000.00	0.00 06/16/2014	06/30/2021		2,716.46
			Total	2,635.00					
0322	A01_11A	576.00 t0054073	2,615.00 RENT	2,160.00	0.00	0.00 01/04/2020	01/03/2021		0.00
			PARKING	50.00					
			Total	2,210.00					
0323	A01_22B	950.00 t0055049	2,970.00 RENT	2,490.00	0.00	500.00 01/10/2020	01/09/2021		2,610.05
			Total	2,490.00					
0324	A01_22A	876.00 t0001039	2,920.00 RENT	2,625.00	1,000.00	0.00 11/30/2013	05/31/2021		2,702.52
			Total	2,625.00					
0325	A01_22B	950.00 t0001134	3,070.00 RENT	2,750.00	1,000.00	0.00 07/23/2016	07/22/2021		0.00
			Total	2,750.00					
0326	A01_22A	876.00 t0364158	2,920.00 PETFEE	50.00	1,000.00	500.00 11/26/2018	05/25/2020		3,009.16
			RENT	2,900.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
Total				2,950.00					
0327	A01_11B	663.00 t0001022	2,690.00 RENT	2,074.00	3,050.00	0.00 07/20/2013	12/31/2020		0.00
Total				2,074.00					
0328	A01_22A	876.00 t0615544	2,820.00 RENT	2,544.00	2,544.00	0.00 08/24/2019	08/23/2020		9,260.05
Total				2,544.00					
0329	A01_22B	950.00 t0416573	3,070.00 RENT	2,849.00	1,000.00	0.00 01/12/2019	01/11/2021		3,004.89
Total				2,849.00					
0330	A01_32A	1,319.00 t0416580	3,605.00 RENT	3,504.00	1,000.00	0.00 01/12/2019	01/11/2021		3,557.77
			PARKING	50.00					
Total				3,554.00					
0331	A01_22B	950.00 t0055228	3,070.00 RENT	2,590.00	199.00	0.00 12/14/2019	10/13/2020		2,671.46
Total				2,590.00					
0332	A01_22C	951.00 t0113930	3,020.00 RENT	2,840.00	1,000.00	0.00 12/30/2017	12/29/2020		8,601.50
Total				2,840.00					
0333	A01_11B	663.00 t0361397	2,690.00 RENT	2,280.00	750.00	0.00 10/27/2018	10/26/2020		2,457.79
			PARKING	65.00					
Total				2,345.00					
0334	A01_22D	1,163.00 t0347541	3,245.00 RENT	2,715.00	1,000.00	0.00 05/04/2020	05/03/2021		0.00
Total				2,715.00					
0335	A01_11B	663.00 t0591611	2,590.00 RENT	2,134.00	199.00	0.00 08/19/2019	08/18/2021		64.20
Total				2,134.00					
0336	A01_22D	1,163.00 t0012268	3,245.00 PARKING	50.00	1,000.00	500.00 04/15/2017	04/14/2021		0.00
			RENT	3,098.00					
Total				3,148.00					
0337	A01_22B	950.00 t0040288	3,095.00 RENT	2,899.00	1,000.00	0.00 07/05/2018	07/04/2021		2,840.43
Total				2,899.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
0338	A01_32B	1,336.00 t0058627	3,655.00 RENT	3,520.00	4,520.00	0.00 03/01/2020	02/28/2021		3,682.16
			STORAGE	65.00					
			Total	3,585.00					
0339	A01_22D	1,163.00 t0608802	3,260.00 RENT	2,995.00	1,000.00	0.00 09/05/2020	09/04/2021		0.00
			Total	2,995.00					
0340	A01_22B	950.00 t0136553	3,095.00 RENT	2,775.00	1,000.00	0.00 02/24/2018	02/23/2021		6,695.05
			Total	2,775.00					
0341	A01_11C	719.00 t0204805	2,740.00 RENT	2,399.00	750.00	0.00 04/10/2018	04/09/2021		0.00
			Total	2,399.00					
0342	A01_22D	1,163.00 t0064179	3,145.00 RENT	2,615.00	1,000.00	500.00 04/11/2020	04/10/2021		0.00
			PETRENT	50.00					
			Total	2,665.00					
0343	A01_11C	719.00 t0056603	2,740.00 RENT	2,235.00	199.00	0.00 01/13/2020	11/12/2020		8,230.78
			PARKING	50.00					
			Total	2,285.00					
0344	A01_22C	951.00 t0001163	3,020.00 RENT	2,795.00	2,575.00	0.00 12/15/2016	03/14/2021		2,785.53
			Total	2,795.00					
0345	A01_11C	719.00 t0069201	2,740.00 RENT	2,215.00	750.00	0.00 06/27/2020	06/26/2021		0.00
			Total	2,215.00					
0346	A01_22C	951.00 t0230253	3,020.00 RENT	2,815.00	1,000.00	0.00 05/19/2018	07/20/2021		2,897.59
			Total	2,815.00					
0347	A01_11C	719.00 t0516170	2,740.00 RENT	2,405.00	2,405.00	0.00 05/22/2019	11/21/2020		0.00
			Total	2,405.00					
0348	A01_22C	951.00 t0411166	3,035.00 RENT	2,914.00	1,000.00	1,000.00 01/04/2019	01/03/2021		2,201.50
			Total	2,914.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
0349	A01_11C	719.00 t0075188	2,740.00 RENT	2,295.00	750.00	0.00 08/30/2020	08/29/2021		0.00
			Total	2,295.00					
0351	A01_11C	719.00 t0077816	2,740.00 RENT	2,290.00	750.00	0.00 08/28/2020	08/27/2021		0.00
			PARKING	50.00					
			PETRENT	50.00					
			Total	2,390.00					
0352	A01_22D	1,163.00 t0076339	3,245.00 RENT	2,995.00	1,000.00	1,000.00 09/20/2020	09/19/2021		0.00
			PETRENT	90.00					
			CONCESS	-250.00					
			Total	2,835.00					
0401	A01_11B	663.00 t0079472	2,740.00 RENT	2,250.00	0.00	0.00 10/01/2020	09/30/2021		-2,250.00
			Total	2,250.00					
0402	A01_11C	719.00 t0001031	2,790.00 STORAGE	65.00	750.00	0.00 07/12/2013	01/31/2021		2,302.77
			RENT	2,185.00					
			Total	2,250.00					
0403	A01_22D	1,163.00 t0539134	3,310.00 RENT	2,780.00	500.00	0.00 12/20/2019	12/19/2020		3,864.15
			Total	2,780.00					
0404	A01_22C	951.00 t0416586	3,070.00 RENT	2,869.00	1,000.00	0.00 01/12/2019	01/11/2021		2,931.00
			Total	2,869.00					
0405	A01_32A	1,319.00 t0383977	3,655.00 RENT	3,554.00	1,000.00	1,000.00 01/03/2019	01/02/2021		3,657.84
			PARKING	50.00					
			Total	3,604.00					
0406	A01_22C	951.00 t0067672	3,085.00 RENT	2,595.00	1,000.00	0.00 05/30/2020	05/29/2021		0.00
			Total	2,595.00					
0407	A01_22C	951.00 t0001053	3,085.00 RENT	2,835.00	1,000.00	0.00 06/01/2014	05/31/2021		0.00
			Total	2,835.00					
0408	A01_22C	951.00 t0066404	3,085.00 RENT	2,595.00	1,000.00	500.00 05/09/2020	05/08/2021		0.00

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
Total				2,595.00					
0409	A01_22B	950.00 t0067224	3,120.00 RENT	2,595.00	1,000.00	0.00 05/17/2020	05/16/2021		2,695.76
Total				2,595.00					
0410	A01_22D	1,163.00 VACANT	3,295.00	0.00	0.00	0.00			0.00
Total				0.00					
0411	A01_22B	950.00 t0535534	3,120.00 RENT	2,924.00	1,000.00	500.00 06/07/2019	06/06/2020		3,099.76
			PETRENT	50.00					
Total				2,974.00					
0412	A01_32A	1,319.00 t0522734	3,655.00 RENT	3,604.00	1,000.00	0.00 07/17/2019	07/16/2021		3,611.04
			PARKING	50.00					
Total				3,654.00					
0413	A01_11B	663.00 t0061259	2,740.00 RENT	2,445.00	750.00	50.00 02/29/2020	02/28/2021		0.00
			STORAGE	65.00					
Total				2,510.00					
0414	A01_22A	876.00 t0078453	2,970.00 RENT	2,600.00	1,000.00	0.00 09/12/2020	09/11/2021		2,597.00
Total				2,600.00					
0415	A01_11B	663.00 t0001156	2,740.00 STORAGE	65.00	750.00	1,000.00 11/19/2016	11/18/2020		0.00
			PETFEE	35.00					
			RENT	2,285.00					
Total				2,385.00					
0416	A01_22A	876.00 t0603420	2,970.00 RENT	2,594.00	2,594.00	0.00 09/09/2019	03/08/2021		2,691.76
Total				2,594.00					
0417	A01_11B	663.00 t0453787	2,740.00 RENT	2,484.00	750.00	0.00 03/07/2019	09/06/2020		0.00
Total				2,484.00					
0418	A01_22A	876.00 t0072555	2,970.00 RENT	2,890.00	1,000.00	0.00 08/07/2020	08/06/2021		0.00
Total				2,890.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
0419	A01_22B	950.00 t0342886	3,135.00 RENT	2,879.00	1,000.00	0.00	10/04/2018	11/28/2020	2,967.26
			PARKING	50.00					
			Total	2,929.00					
0420	A01_22A	876.00 t0647595	2,970.00 RENT	2,694.00	199.00	0.00	11/15/2019	11/14/2020	0.00
			Total	2,694.00					
0421	A01_22B	950.00 t0621269	3,135.00 RENT	2,839.00	1,000.00	500.00	09/21/2019	09/20/2021	2,951.16
			Total	2,839.00					
0422	A01_11A	587.00 t0059606	2,665.00 RENT	2,190.00	199.00	0.00	02/01/2020	01/31/2021	2,237.40
			Total	2,190.00					
0423	A01_22B	950.00 t0001027	3,120.00 RENT	2,830.00	1,000.00	50.00	07/13/2013	06/30/2021	2,909.95
			Total	2,830.00					
0424	A01_22A	876.00 t0051589	2,970.00 RENT	2,547.00	1,000.00	0.00	10/10/2017	12/09/2020	0.00
			Total	2,547.00					
0425	A01_22B	950.00 t0206382	3,120.00 STORAGE	65.00	3,730.00	0.00	05/15/2018	08/14/2021	25.00
			STORAGE	65.00					
			RENT	2,892.00					
			Total	3,022.00					
0426	A01_22A	876.00 t0348425	2,970.00 RENT	2,690.00	199.00	0.00	02/14/2020	08/13/2021	25.00
			Total	2,690.00					
0427	A01_11B	663.00 t0077721	2,740.00 RENT	2,250.00	2,250.00	0.00	09/05/2020	09/04/2021	2,250.00
			Total	2,250.00					
0428	A01_22A	876.00 t0001123	2,970.00 RENT	2,720.00	1,000.00	0.00	05/07/2016	02/05/2020	0.00
			Total	2,720.00					
0429	A01_22B	950.00 t0065247	3,135.00 RENT	2,675.00	1,000.00	0.00	04/15/2020	04/14/2021	2,737.16
			Total	2,675.00					
0430	A01_32A	1,319.00 t0412043	3,655.00 RENT	3,475.00	1,000.00	1,000.00	01/09/2019	01/08/2021	3,590.77

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
Total				3,475.00					
0431	A01_22B	950.00 t0416989	3,135.00 RENT	2,849.00	1,000.00	0.00 02/22/2019	02/21/2020		17,126.40
Total				2,849.00					
0432	A01_22C	951.00 t0411169	3,070.00 RENT	2,869.00	1,000.00	0.00 01/04/2019	01/03/2021		3,024.17
Total				2,869.00					
0433	A01_11B	663.00 t0070452	2,765.00 RENT	2,250.00	750.00	0.00 07/27/2020	07/26/2021		0.00
			PARKING	50.00					
Total				2,300.00					
0434	A01_22D	1,163.00 t0074618	3,195.00 RENT	2,995.00	2,995.00	0.00 09/01/2020	08/31/2021		2,995.00
Total				2,995.00					
0435	A01_11B	663.00 t0001162	2,765.00 PARKING	50.00	750.00	0.00 12/16/2016	12/15/2020		0.00
			RENT	2,242.00					
Total				2,292.00					
0436	A01_22D	1,163.00 t0127356	3,195.00 RENT	3,112.00	1,000.00	0.00 09/09/2019	09/08/2021		0.00
Total				3,112.00					
0437	A01_22B	950.00 t0057885	3,135.00 RENT	2,880.00	199.00	0.00 01/14/2020	01/13/2021		0.00
			STORAGE	65.00					
Total				2,945.00					
0438	A01_32B	1,336.00 t0416590	3,705.00 RENT	3,612.00	1,000.00	0.00 01/12/2019	01/11/2021		3,658.06
Total				3,612.00					
0439	A01_22D	1,163.00 t0070177	3,310.00 RENT	2,850.00	2,850.00	0.00 07/28/2020	07/27/2021		2,720.82
Total				2,850.00					
0440	A01_22B	950.00 t0049410	3,135.00 STORAGE	65.00	1,000.00	0.00 03/14/2020	03/13/2021		0.00
			RENT	2,735.00					
Total				2,800.00					
0441	A01_11C	719.00 t0545867	2,790.00 RENT	2,455.00	750.00	0.00 07/01/2019	06/30/2021		2,507.77

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
			Total	2,455.00					
0442	A01_22D	1,163.00 t0004918	3,295.00 RENT	3,141.00	1,000.00	0.00	03/01/2017	04/30/2021	0.00
			Total	3,141.00					
0443	A01_11C	719.00 t0242938	2,790.00 PARKING	65.00	750.00	0.00	07/14/2018	07/13/2021	0.00
			RENT	2,285.00					
			Total	2,350.00					
0444	A01_22C	951.00 t0472319	3,070.00 RENT	2,994.00	1,000.00	0.00	04/03/2019	10/02/2021	2,962.87
			Total	2,994.00					
0445	A01_11C	719.00 t0293889	2,790.00 STORAGE	65.00	750.00	0.00	09/10/2018	03/09/2020	3,726.33
			STORAGE	65.00					
			RENT	2,455.00					
			Total	2,585.00					
0446	A01_22C	951.00 t0001129	3,070.00 RENT	2,794.00	1,000.00	0.00	06/04/2016	06/03/2021	2,824.43
			Total	2,794.00					
0447	A01_11C	719.00 t0056978	2,790.00 RENT	2,270.00	199.00	0.00	02/08/2020	02/07/2021	0.00
			STORAGE	65.00					
			Total	2,335.00					
0448	A01_22C	951.00 t0001095	3,085.00 RENT	2,835.00	1,000.00	500.00	11/21/2015	05/31/2021	2,897.20
			Total	2,835.00					
0449	A01_11C	719.00 t0578175	2,790.00 STORAGE	65.00	750.00	0.00	07/27/2019	07/26/2020	9,343.52
			STORAGE	65.00					
			STORAGE	65.00					
			STORAGE	65.00					
			RENT	2,455.00					
			Total	2,715.00					
0450	A01_22C	951.00 t0001937	3,070.00 RENT	2,869.00	1,000.00	0.00	02/01/2017	01/31/2021	0.00
			STORAGE	65.00					
			Total	2,934.00					

Rent Roll with Lease Charges

Renaissance at City Center (a01)

As Of = 10/02/2020

Month Year = 10/2020

Unit	Unit Type	Unit Resident Sq Ft	Market Charge Rent Code	Amount	Resident Deposit	Other Move In Deposit	Lease Expiration	Move Out	Balance
0451	A01_11C	719.00 t0063798	2,790.00 RENT	2,250.00	750.00	0.00 04/01/2020	03/31/2021		0.00
			PARKING	50.00					
			Total	2,300.00					
0452	A01_22D	1,163.00 t0054576	3,295.00 RENT	2,765.00	199.00	0.00 12/31/2019	12/30/2020		8,468.12
			PARKING	50.00					
			Total	2,815.00					
Future Residents/Applicants									
0221	A01_22B	950.00 t0079175	3,045.00	0.00	0.00	0.00 10/23/2020	10/22/2021		-2,795.00
			Total	0.00					
		Total	450,795.00	394,645.00	162,080.00	13,650.00			318,962.18

Summary Groups	Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% Sqft Occupied	Balance
Current/Notice/Vacant Residents	138,249.00	450,795.00	394,645.00	162,080.00	13,650.00	150.00	98.00	97.63	321,757.18
Future Residents/Applicants	950.00	3,045.00	0.00	0.00	0.00	1.00			-2,795.00
Occupied Units	134,973.00	441,235.00				147	98.00	97.63	
Total Non Rev Units	1,163.00	3,220.00				1	0.66	0.85	
Total Vacant Units	2,113.00	6,340.00				2	1.33	1.54	
Totals:	138,249.00	450,795.00	394,645.00	162,080.00	13,650.00	150	100.00	100.00	318,962.18

Summary of Charges by Charge Code (Current/Notice Residents Only)	
Charge Code	Amount
RENT	393,921.00
STORAGE	2,210.00
PETFEE	235.00
PARKING	1,445.00
EMPRENT	-3,023.00
PETRENT	340.00
CONCESS	-483.00
Total	394,645.00

Renaissance at City Center Res/Retail (.renc)

Statement (12 months)

Period = Jan 2017-Dec 2017

Book = Cash ; Tree = ren_js

	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Total
40000-0000 INCOME													
40000-0100 RENTAL INCOME													
40000-1000 Market Rent	376,845.00	380,550.00	380,550.00	380,550.00	380,550.00	395,572.00	395,572.00	395,572.00	399,474.00	399,474.00	399,474.00	399,474.00	4,683,657.00
40000-1100 Loss/Gain to Lease	-17,730.00	-19,567.00	-15,107.00	-12,473.82	-14,627.07	-27,463.07	-25,386.07	-23,883.07	-22,859.07	-23,412.07	-22,359.07	-21,787.07	-246,654.38
41000-1798 BASE SCHEDULED RENT	359,115.00	360,983.00	365,443.00	368,076.18	365,922.93	368,108.93	370,185.93	371,688.93	376,614.93	376,061.93	377,114.93	377,686.93	4,437,002.62
41000-0000 OTHER RENTAL INCOME													
41000-1900 Vacant Retail	0.00	0.00	-4,228.00	4,228.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41000-2350 Prior Month Rent Adjustment	0.00	0.00	69.60	0.00	0.00	0.00	1,632.00	-16.00	0.00	0.00	100.00	0.00	1,785.00
41000-2400 Vacancy	-5,773.00	-6,396.00	-11,736.00	-27,930.93	-13,093.50	-4,782.50	-8,623.50	-13,561.50	-15,991.50	-13,174.50	-13,451.50	-31,209.50	-165,723.93
41000-2800 Model/Non Revenue Unit	-3,053.88	-2,139.02	-3,006.89	-3,284.21	-2,878.00	-2,993.00	-2,993.00	-2,993.00	-3,023.00	-3,023.00	-3,023.00	-3,023.00	-35,433.00
41000-2900 Rent Concessions	-1,222.00	-1,140.00	-1,140.00	-1,140.00	-1,140.00	-1,140.00	-1,140.00	-1,080.00	-1,090.00	-1,090.00	-904.00	-239.00	-12,465.00
41000-4200 Employee Unit Loss	0.00	0.00	0.00	-21,800.00	-5,450.00	-5,450.00	-5,450.00	-5,450.00	-5,450.00	-5,450.00	-5,450.00	-3,394.00	-63,344.00
41000-4500 Write-Off Delinquent Rent	0.00	0.00	-1,840.52	-11,694.20	-1,387.23	0.00	-11,988.21	-3,780.65	0.00	0.00	0.00	-7,509.16	-38,199.97
41000-4600 Lease Cancellations	0.00	446.00	3,050.00	2,050.00	5,386.00	2,100.00	2,521.00	0.00	200.00	-200.00	2,456.00	2,120.00	20,129.00
41000-4800 Delinquent Rent	-10,500.84	263.38	-6,203.35	5,585.54	1,427.82	-8,342.74	11,137.73	3,553.57	-3,518.12	-8,917.33	-5,852.80	14,100.13	-7,267.01
41000-5100 Prepaid Rent Collected	9,211.60	-1,829.20	1,895.41	323.63	-4,484.70	3,579.04	1,450.55	-1,035.40	2,424.61	4,791.06	-10,488.23	-1,789.73	4,048.64
41000-5110 Prior Year Adjustments	-8,008.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-8,008.06
41499-9999 TOTAL OTHER RENTAL INCOME	-19,346.18	-10,794.84	-23,140.35	-53,662.17	-21,619.61	-17,029.20	-13,453.43	-24,362.98	-26,448.01	-27,063.77	-36,613.53	-30,944.26	-304,478.33
41950-0000 RENTAL INCOME - RETAIL													
41950-0100 Market Rent - Retail	12,569.75	12,569.75	12,569.75	12,569.75	12,569.75	12,569.75	12,569.75	12,569.75	12,569.75	12,569.75	12,569.75	12,569.75	150,837.00
41950-0200 Prepaid Rent - Retail	3,135.70	469.00	469.00	586.18	586.00	585.82	586.00	0.00	0.00	0.02	0.00	0.00	6,417.72
41950-0210 Prior Year Adjustments Retail	45,961.42	0.00	-44,249.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,711.92
41950-0300 Delinquent Rent - Retail	-51,515.62	-5,023.50	35,401.50	4,272.00	-2,136.00	2,044.25	-2,227.93	-2,136.00	2,574.40	1,118.40	183.68	112.00	-17,332.82
41950-9999 TOTAL RENTAL INCOME - RETAIL	10,151.25	8,015.25	4,190.75	17,427.93	11,019.75	15,199.82	10,927.82	10,433.75	15,144.15	13,688.17	12,753.43	12,681.75	141,633.82
41999-9999 TOTAL RENTAL INCOME	349,920.07	358,203.41	346,493.40	331,841.94	355,323.07	366,279.55	367,660.32	357,759.70	365,311.07	362,686.33	353,254.83	359,424.42	4,274,158.11
42000-0000 OTHER INCOME - RESIDENTIAL													
42100-1000 Carport/Garage Income	1,591.30	1,684.51	1,650.00	1,720.00	1,670.00	1,550.00	1,548.00	1,443.00	1,400.00	1,375.00	1,576.72	1,477.00	18,685.53
42400-1100 Pet Fees	898.00	836.00	1,142.84	1,103.16	918.00	952.00	849.00	847.00	875.00	817.00	1,005.72	881.00	11,124.72
42400-1200 Pet Rent	0.00	0.00	0.00	0.00	0.00	0.00	27.00	35.00	69.00	105.00	105.00	105.00	446.00
42400-1400 Write-Off to Other Inc	0.00	0.00	-218.11	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	281.89
42400-1600 Deposits Applied to Cancelled M/I	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	500.00
42400-1700 Deposits Applied To Apt Repairs	611.00	2,159.40	1,829.82	2,254.00	1,554.00	375.00	1,879.00	2,245.00	2,004.93	2,660.93	225.00	3,332.10	21,130.18
42500-1000 Oth Inc-Utility-Electric Only	9.01	26.34	93.04	100.20	187.78	6.48	328.55	14.92	196.95	85.60	489.99	197.72	1,736.58
42500-1100 Oth Inc-Utility-Gas Only	2,020.80	2,809.81	3,687.77	3,542.91	3,680.52	2,901.94	2,892.23	2,823.75	2,391.15	1,843.88	1,885.19	2,145.28	32,625.23
42500-1300 Oth Inc-Utility-Reimbursement	121.73	86.81	0.00	0.00	0.00	0.00	-161.18	0.00	0.00	0.00	-574.08	0.00	-526.72
42500-1400 Oth Inc-Utility-Sewer	49.73	1,493.47	3,608.76	3,655.87	2,838.61	2,688.02	3,048.29	3,001.76	2,844.37	2,975.87	2,791.98	3,199.05	32,195.78
42500-1500 Oth Inc-Utility-Trash	1,742.70	3,235.71	2,805.22	2,881.63	2,855.10	2,569.53	2,759.42	2,731.50	2,928.89	2,991.20	2,977.44	2,984.10	33,462.44
42500-1700 Oth Inc-Utility-Water	-579.63	-1,643.02	1,620.13	1,960.66	2,130.60	2,450.40	2,450.94	2,636.08	2,292.15	2,250.36	2,118.71	2,756.63	20,444.01
42500-1900 Oth Inc-Utility-Admin	32.79	852.74	802.44	727.25	674.04	720.09	742.31	336.42	264.43	643.34	701.44	819.83	7,317.12
42700-2000 Oth Inc-Credit Check/Application Fee	505.00	285.00	360.00	-45.00	0.00	75.00	255.00	90.00	0.00	-90.00	0.00	90.00	1,525.00
42700-3100 Oth Inc-Late Fees	113.77	300.00	810.28	761.47	1,078.25	1,234.14	1,047.84	745.22	1,463.60	1,768.41	2,440.63	1,227.45	12,991.06
42700-3300 Oth Inc-Legal Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80.00	0.00	0.00	0.00	985.00	1,065.00
42700-3400 Oth Inc-Miscellaneous	46.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46.69
42700-3500 Oth Inc-Month-To-Month Fees	800.00	1,181.00	1,200.00	1,000.00	1,297.00	1,800.00	1,352.00	942.00	1,200.00	916.00	1,000.00	419.00	13,107.00

Renaissance at City Center Res/Retail (.rrenc)

Statement (12 months)

Period = Jan 2017 - Dec 2017

Book = Cash ; Tree = ren_js

	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Total
42700-3900 Oth Inc-Nsf Fees	25.00	0.00	50.00	75.00	50.00	75.00	150.00	0.00	0.00	0.00	75.00	50.00	550.00
42700-4000 Oth Inc-Misc Fee Income	100.00	350.00	250.00	350.00	150.00	100.00	600.00	640.40	150.00	0.00	300.00	70.60	3,061.00
42700-4400 Oth Inc-Storage	3,030.96	3,550.13	3,098.00	2,966.00	3,108.00	3,003.00	3,022.00	2,911.00	2,918.00	2,583.00	2,180.00	2,429.00	34,799.09
42700-4800 Oth Inc-Vending Machines	0.00	0.00	0.00	163.74	0.00	0.00	107.27	0.00	0.00	0.00	0.00	0.00	271.01
42800-1000 Oth Inc-Interest Income	20.60	21.33	24.70	13.93	15.79	17.49	21.46	24.45	60.96	28.84	24.81	20.33	294.69
43999-9999 TOTAL OTHER INCOME - RESIDENTIAL	11,139.45	17,229.23	22,814.89	23,230.82	22,207.69	20,518.09	22,919.13	22,547.50	21,059.43	20,954.43	19,323.55	23,189.09	247,133.30
46000-0000 OTHER INCOME - RETAIL													
46100-1000 Reimbursement CAM	3,907.15	2,778.75	15,811.25	6,162.75	2,778.75	5,035.55	2,778.75	2,778.75	5,035.55	2,778.75	3,906.75	3,907.55	57,660.30
46999-9999 TOTAL OTHER INCOME - RETAIL	3,907.15	2,778.75	15,811.25	6,162.75	2,778.75	5,035.55	2,778.75	2,778.75	5,035.55	2,778.75	3,906.75	3,907.55	57,660.30
49999-9999 TOTAL INCOME	364,966.67	378,211.39	385,119.54	361,235.51	380,309.51	391,833.19	393,358.20	383,085.95	391,406.05	386,419.51	376,485.13	386,521.06	4,578,951.71
50000-0000 EXPENSES													
50000-0100 PAYROLL AND BENEFITS													
50000-1000 Sal P/M-Community Director	9,443.89	13,228.24	10,424.62	-2,340.97	8,781.84	5,686.92	7,235.58	8,894.61	8,587.47	8,196.40	8,483.26	7,727.03	94,348.89
51500-0000 Sal Maint-Other	2,919.20	3,337.33	2,557.56	2,991.73	2,812.87	2,856.74	2,725.86	3,483.34	2,869.79	2,584.17	78.30	1,687.84	30,904.73
51600-0000 Sal Maint-Supervisor	5,208.49	7,109.75	5,599.80	-4,283.36	4,143.57	2,238.33	2,960.07	4,064.96	4,021.11	3,985.88	3,779.98	3,412.38	42,240.96
51603-1200 Temporary Services-Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,094.92	4,115.59	9,210.51
53100-0000 Sal P/M-Assn'T Resident Mgr	2,603.38	3,537.71	2,328.46	2,076.71	765.72	-58.04	2,402.13	2,803.50	4,442.25	2,917.06	3,458.70	2,670.76	29,948.34
54020-0000 Sal Admin -Acctg*Auditing	324.32	82.20	126.60	143.48	142.75	92.37	106.12	98.48	142.65	115.17	148.19	124.30	1,646.63
54170-0000 Sal Admin-Marketing-Administrative Asst	166.84	190.38	188.36	184.91	162.18	156.85	172.59	184.92	173.12	170.38	188.79	157.44	2,096.76
54171-0000 Sal-Regional Maintenance	124.57	133.60	285.13	166.24	118.74	53.67	89.06	95.28	179.31	149.18	131.27	65.44	1,591.49
55000-1000 Temporary Services-Administrative	2,009.79	617.76	205.92	3,205.92	2,009.46	2,237.81	2,291.59	5,949.86	2,580.72	697.20	0.00	1,276.73	23,082.76
56000-1900 Sal Burden-Fica	1,146.92	1,600.24	1,162.15	1,160.91	1,191.57	1,009.84	1,163.28	1,465.90	1,523.58	1,348.11	1,217.47	1,186.67	15,176.64
56000-2000 Sal Burden-Futa	89.55	69.46	-33.97	0.00	0.00	7.00	10.77	0.00	-7.00	0.00	0.00	54.71	190.52
56000-2100 Sal Burden-Group Insurance	1,884.32	1,790.40	1,776.85	1,786.09	1,402.98	1,355.86	1,336.59	1,337.90	1,739.23	1,779.09	1,790.40	1,339.44	19,319.15
56000-2700 Sal Burden-Suta	925.56	531.87	-382.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	551.08	1,626.35
56000-2800 Sal Burden-Workmans Comp	1,629.78	2,193.05	1,700.44	1,701.03	1,674.33	1,410.51	1,560.13	1,893.90	1,982.66	1,764.31	1,681.77	1,605.04	20,796.95
56000-2900 Sal Burden-3rd Party Processing	187.38	220.93	151.05	172.22	173.49	154.86	166.04	201.16	210.41	187.53	177.60	172.09	2,174.76
56000-3200 Sal Burden-401(K) ER Contribution	83.16	110.49	86.06	86.12	86.73	88.42	103.78	125.73	131.65	117.23	111.01	108.45	1,238.83
56999-9999 TOTAL PAYROLL AND BENEFITS	28,747.15	34,753.41	26,176.87	7,051.03	23,466.23	17,291.14	22,323.59	30,599.54	28,576.95	24,011.71	26,341.66	26,254.99	295,594.27
57000-0000 LEASING AND MARKETING													
57000-1100 Adv-Call Source	626.50	289.00	386.50	337.50	337.50	338.00	337.00	337.50	337.50	337.00	337.50	337.50	4,339.00
57000-1300 Adv-Internet	594.29	679.82	1,096.37	1,226.00	1,217.50	1,410.19	943.64	1,271.87	551.50	874.50	1,241.00	1,721.75	12,828.43
57000-1400 Adv-Locator Service	0.00	0.00	0.00	179.85	59.95	60.00	60.00	-0.10	60.00	59.95	59.95	0.00	539.55
57000-1600 Adv-Periodicals & Apt Guide	0.00	0.00	119.90	-119.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57000-1800 Adv-Referral Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00	0.00	0.00	1,000.00
57000-2300 Promo-Complex General	0.00	0.00	0.00	401.49	959.55	452.10	1,034.10	1,344.83	286.09	986.92	67.18	0.00	5,532.26
57000-2800 Promotion-Model Decorating	0.00	141.02	0.00	-141.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57000-3000 Promotion-Recreation	0.00	1,208.00	1,224.54	508.00	1,077.00	574.00	644.00	689.20	0.00	513.54	545.81	2,116.67	9,100.76
57000-3500 Promo-Recreation Equipment	0.00	75.00	0.00	-75.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57000-9999 TOTAL LEASING AND MARKETING	1,220.79	2,392.84	2,827.31	2,316.92	3,651.50	2,834.29	3,018.74	3,643.30	1,235.09	3,771.86	2,251.44	4,175.92	33,340.00
57800-0000 MANAGEMENT FEES													
57800-1000 Fee Exp-Management Fee	9,924.76	9,509.53	10,088.22	9,151.74	9,937.35	8,475.39	9,825.19	9,574.21	9,777.00	9,548.21	9,402.03	9,661.28	114,974.91
57899-9999 TOTAL MANAGEMENT FEES	9,924.76	9,509.53	10,088.22	9,151.74	9,937.35	8,475.39	9,825.19	9,574.21	9,777.00	9,648.21	9,402.03	9,661.28	114,974.91

Renaissance at City Center Res/Retail (.renc)

Statement (12 months)

Period = Jan 2017 -Dec 2017

Book = Cash ; Tree = ren_is

	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Total
58000-0000 ADMINISTRATIVE EXPENSES													
58010-1200 Computer-Software License/Support	554.05	551.53	524.49	2,090.09	540.09	782.49	570.39	529.48	502.71	991.60	3,426.00	2,739.26	13,802.18
58010-1900 Computer-Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	534.45	0.00	10.17	0.00	0.00	544.62
58020-1000 Dues And Subscriptions-Associations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00	0.00	0.00	0.00	2,000.00
58040-1200 Fee Exp-Banking Services	289.90	77.82	-21.02	37.87	80.94	53.72	27.94	20.96	23.15	23.07	25.34	26.94	666.63
58040-2100 Fee Exp-Credit Check	264.55	157.05	381.00	150.00	0.00	0.00	0.00	0.00	13.81	0.00	0.00	-150.00	816.41
58040-2400 Fee Exp-General	0.00	0.00	0.00	0.00	300.00	109.00	109.00	1,981.00	0.00	0.00	0.00	0.00	2,499.00
58040-2600 Fee Exp-Genl Legal & Evictions	140.83	0.00	12.00	3,079.45	426.50	0.00	1,969.25	662.50	0.00	0.00	0.00	985.00	7,275.53
58040-2900 Fee Exp-Legal Evictions	0.00	0.00	255.45	-255.45	0.00	294.25	-294.25	0.00	0.00	0.00	0.00	0.00	0.00
58040-3000 Fee Exp-Licenses And Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	20.00
58060-2100 Off-Supplies-General	0.00	207.67	0.00	436.20	244.71	591.94	173.49	2.14	1,327.99	704.86	160.44	258.13	4,107.57
58060-2400 Off-Postage And Related	63.32	76.31	100.69	52.00	20.99	47.52	17.50	192.66	68.86	69.25	25.07	182.27	916.44
58070-1000 Personnel-Employee Classes	0.00	38.30	0.00	0.00	41.49	84.52	41.88	125.35	0.00	41.84	45.01	83.91	502.30
58070-2400 Personnel-Travel/Ent-Other-General	153.36	0.00	85.48	0.00	0.00	511.20	0.00	133.65	0.00	115.15	0.00	0.00	998.84
58070-2800 Personnel-Recruitment-General	100.86	0.00	24.03	0.00	0.00	0.00	0.00	0.00	10.36	155.71	91.23	269.38	651.57
60000-3800 Telephone & Communications	1,617.54	1,576.22	1,642.18	1,546.03	1,619.29	1,660.97	1,616.37	1,732.64	1,684.67	1,740.71	1,870.76	1,860.51	20,167.89
58999-9999 TOTAL ADMINISTRATIVE EXPENSES	3,184.41	2,684.90	3,004.30	7,136.19	3,274.01	4,135.61	4,231.57	5,914.83	5,631.55	3,852.36	5,663.85	6,255.40	54,968.98
60000-0000 UTILITIES													
60000-1000 Util-Cable	266.29	315.30	315.29	315.29	315.30	315.32	365.31	315.32	320.84	320.82	320.83	320.83	3,806.74
60000-1100 Util-Electricity-Common Area	5,444.04	5,490.14	5,402.96	5,400.27	5,624.82	7,166.25	7,344.59	9,180.60	7,499.50	6,463.08	5,194.93	5,019.20	75,230.38
60000-1400 Util-Electricity-Vacant Units	129.53	504.78	78.24	143.31	150.00	84.85	111.70	257.15	318.87	195.39	429.84	823.13	3,226.79
60000-1500 Util-Billing Service Fee	442.00	820.10	96.22	680.30	742.00	250.00	536.37	1,801.10	1,186.37	164.25	587.32	636.93	7,942.96
60000-1700 Util-Garbage And Trash Collection	3,239.96	3,088.49	3,028.18	3,652.21	3,145.56	4,789.14	3,138.30	3,459.15	3,269.87	3,453.65	3,162.38	3,365.58	40,792.47
60000-1900 Util-Gas-Common Area	4,652.71	3,954.84	1,538.82	2,623.00	2,636.03	2,534.34	2,120.05	1,464.68	1,998.14	1,801.98	2,425.69	3,164.74	30,915.02
60000-2200 Util-Gas-Vacant Units	27.85	30.61	63.07	34.68	43.39	88.68	9.23	7.88	0.84	29.64	35.71	82.35	453.93
60000-2500 Util-Models-All	-3.78	26.83	22.80	0.43	25.00	30.42	57.32	101.86	77.00	22.60	36.35	21.64	418.47
60000-4000 Util-Water	1,477.85	2,462.32	1,740.66	1,674.05	1,947.88	2,777.60	2,506.07	2,910.01	2,191.50	2,110.69	2,101.31	2,600.64	26,500.58
60000-9999 TOTAL UTILITIES	15,676.45	16,693.41	12,286.24	14,523.54	14,629.98	18,036.60	16,188.94	19,497.75	16,862.93	14,562.10	14,294.36	16,035.04	189,287.34
61000-0000 REPAIR & MAINTENANCE													
61000-1200 R & M-Appliance Replacement	0.00	310.35	1,202.92	25.66	0.00	0.00	247.94	1,200.17	0.00	69.06	618.25	0.00	3,674.35
61000-1300 R & M-Appliances	473.85	0.00	590.43	1,264.81	437.09	142.16	235.92	666.33	42.74	944.24	153.85	550.46	5,501.88
61000-1500 R & M-Backflow	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	300.00
61000-1600 R & M-Boiler Repair	0.00	430.00	105.00	105.00	105.00	3,085.00	105.00	435.00	105.00	105.00	105.00	105.00	4,790.00
61000-1700 R & M-Blding Exp/Bldg Movement	0.00	0.00	6,710.00	0.00	0.00	0.00	2,900.00	0.00	54,049.75	7,397.30	43,750.37	2,940.00	117,747.42
61000-2000 R & M-Carpet Repairs	0.00	0.00	0.00	0.00	0.00	0.00	65.00	0.00	0.00	0.00	0.00	0.00	65.00
61000-2600 R & M-Common Area Maint/Cleaning	0.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	400.00
61000-2700 R & M-Contract Labor	0.00	0.00	168.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168.50
61000-3200 R & M-Draper Non Turnover	0.00	111.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	413.44	525.10
61000-3300 R & M-Electrical	0.00	263.41	270.36	0.00	0.00	0.00	0.00	30.91	0.00	0.00	49.11	0.00	613.79
61000-3400 R & M-Electrical Supplies	0.00	48.36	0.00	0.00	0.00	0.00	0.00	99.33	0.00	0.00	0.00	317.98	465.67
61000-3500 R & M-Elevator	748.07	1,175.49	859.24	1,372.99	777.99	757.99	770.00	782.98	0.00	778.99	778.00	1,554.97	10,356.71
61000-4000 R & M-Exterminating	322.00	322.00	322.00	322.00	322.00	447.00	1,367.00	322.00	161.00	361.00	522.00	483.00	5,273.00
61000-4700 R & M-General	65.00	0.00	510.82	87.10	947.78	10,534.25	302.13	1,384.40	809.73	450.80	806.05	3,134.41	19,032.47
61000-5300 R & M-Hardware/Tools	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,131.28	0.00	0.00	0.00	0.00	1,131.28
61000-5500 R & M-HVAC	1,115.00	49.52	0.00	0.00	144.92	0.00	177.31	0.00	0.00	10.97	86.71	192.15	1,776.58
61000-5600 R & M-HVAC Contract	100.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	200.00
61000-5900 R & M-Janitorial Service	175.00	6,758.50	3,789.00	2,741.00	3,917.00	4,109.00	4,220.50	3,837.50	3,289.50	3,288.50	3,870.50	3,505.00	43,501.00
61000-6100 R & M-Janitorial Supplies	0.00	469.70	237.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	706.73

Renaissance at City Center Res/Retail (.renc)

Statement (12 months)

Period = Jan 2017 - Dec 2017

Book = Cash ; Tree = ren_is

	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Total
63000-1000 Landscape Contract	3,655.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	23,455.00
63000-2000 R & M-Landscape Supplies	0.00	0.00	16.00	0.00	1,000.00	57.50	0.00	44.03	0.00	14.00	0.00	6.00	1,137.53
63000-5000 R & M Landscape Tree Trimming	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00	-5,060.00	9,940.00
63000-6000 R & M-Landscape/Irrigation-Sprinklers	0.00	270.00	0.00	33.50	83.25	0.00	50.75	100.00	0.00	0.00	0.00	250.00	787.50
61000-6500 R & M-Light Bulbs & Fixtures	0.00	199.56	455.39	0.00	0.00	0.00	0.00	0.00	96.08	0.00	0.00	0.00	751.03
61000-6600 R & M-Locks & Keys	0.00	257.18	0.00	973.70	362.00	279.70	0.00	418.83	0.00	0.00	4,985.55	0.00	7,276.96
61000-6900 R & M-Mold Removal/Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.92	0.00	0.00	0.00	0.00	31.92
61000-6900 R & M-Non-Turnover	0.00	15.45	565.15	0.00	1,290.91	579.83	1,530.91	1,107.61	1,897.45	1,338.29	299.91	1,951.06	10,576.57
61000-7200 R & M-Painting-Exterior	0.00	0.00	0.00	0.00	0.00	241.37	245.07	208.97	0.00	0.00	0.00	0.00	695.41
61000-7300 R & M-Painting Materials & Suppl	0.00	414.68	0.00	0.00	0.00	0.00	0.00	456.48	0.00	0.00	229.12	0.00	1,100.28
61000-7600 R & M-Plumbing	1,065.00	0.00	320.25	49.35	453.03	0.00	188.51	818.18	317.26	129.00	61.75	0.00	3,402.33
61000-7800 R & M-Plumbing Supplies/Parts	0.00	29.41	0.00	0.00	0.00	0.00	0.00	20.17	192.28	0.00	0.00	0.00	241.86
61000-8000 R & M-Pool Contract	615.00	631.00	615.00	615.00	700.00	714.33	615.00	928.64	500.00	500.00	230.00	668.48	7,332.45
61000-8100 R & M-Pool,Frt,Suppl & Rprs	0.00	235.98	0.00	30.11	334.24	0.00	1,127.51	2,111.71	17,766.63	0.00	105.00	4,324.50	25,035.68
61000-8600 R & M-Screens/Windows	0.00	192.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	192.49
61000-9800 R & M-Uniforms	0.00	0.00	119.28	0.00	0.00	0.00	119.17	0.00	0.00	253.99	0.00	0.00	492.44
64000-1300 Sec-Safety/Fire Prevention	0.00	0.00	0.00	1,002.00	1,334.50	99.00	0.00	1,579.80	0.00	0.00	0.00	0.00	4,015.30
64000-1400 Sec-Security Patrol	1,522.25	3,981.50	2,670.00	3,168.00	2,837.00	2,938.00	3,528.00	3,790.50	3,997.50	6,093.00	3,936.00	6,143.50	44,605.25
61999-9999 TOTAL REPAIR & MAINTENANCE	9,856.17	18,066.24	21,326.37	13,990.22	16,846.71	25,785.13	19,595.72	23,306.74	85,024.92	23,534.14	77,687.17	23,279.95	358,299.48
62000-0000 TURNOVER EXPENSES													
62000-1000 R & M-Turnover Cleaning Contractor	964.00	821.00	806.00	1,687.00	479.00	1,229.00	675.00	2,839.00	975.00	1,000.00	914.00	1,545.00	13,936.00
62000-1100 R & M-Turnover-Appliance Repair	0.00	0.00	95.05	0.00	0.00	0.00	0.00	0.00	0.00	137.05	914.83	291.89	1,438.82
62000-1200 R & M-Turnover-Carpet Clean/Repair-Vac	0.00	645.00	200.00	680.00	350.00	550.00	590.00	420.00	305.00	1,070.00	410.00	705.00	5,925.00
62000-1600 R & M-Turnover-Plumbing	0.00	18.18	96.03	0.00	0.00	0.00	33.53	25.93	0.00	51.64	0.00	369.92	595.23
62000-1800 R & M-Turnover-Resurfacing-Tub/Shower	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	0.00	0.00	0.00	0.00	150.00
62000-2200 R & M-Turnover-Draperies/Blinds	0.00	230.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80.17	310.51
62000-2400 R & M-Turnover-Flooring	0.00	914.91	0.00	0.00	0.00	0.00	0.00	385.00	0.00	0.00	0.00	1,767.17	3,067.08
62000-2700 R & M-Turnover Interior Cng Suppl	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	115.45	143.92	831.06	1,090.43
62000-2800 R & M-Turnover Interior Repairs	0.00	0.00	0.00	0.00	0.00	0.00	64.01	202.41	0.00	387.40	1,294.16	342.48	2,290.46
62000-3000 R & M-Turnover Paint Contractor	245.00	841.00	0.00	365.00	345.00	650.00	925.00	2,780.00	0.00	3,517.50	260.00	1,540.00	11,468.50
62000-3100 R & M-Turnover Painting	461.29	246.38	651.74	785.61	350.39	143.87	665.45	0.00	460.55	834.12	1,141.37	0.00	5,740.87
62999-9999 TOTAL TURNOVER EXPENSES	1,670.29	3,716.81	1,850.82	3,517.61	1,524.39	2,572.87	2,952.99	6,802.34	1,740.65	7,113.16	5,078.28	7,472.69	46,012.90
64000-0000 OTHER CONTRACTS													
64000-1100 Sec-Elevator Inspection	2,025.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,375.00
64999-9997 TOTAL OTHER CONTRACTS	2,025.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,375.00
64999-9998 TOTAL EXPENSES	72,305.02	88,167.14	77,560.13	57,687.25	73,330.17	79,131.03	78,136.74	99,338.71	148,849.09	86,493.54	140,718.79	93,135.27	1,094,852.88
64999-9999 TOTAL NOI	292,661.65	290,044.25	307,559.41	303,548.26	306,979.34	312,702.16	315,221.46	283,747.24	242,556.96	299,925.97	235,766.34	293,385.79	3,484,098.83

Renaissance at City Center Res/Retail (renew)

Statement (12 months)

Period = Jan 2018-Dec 2018

Book = Cash; Tree = ren_js

	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Total
40005-0005 INCOME													
40000-0100 RENTAL INCOME													
40000-1000 Market Rent	399,474.00	399,474.00	399,474.00	399,474.00	415,580.00	415,580.00	415,580.00	415,580.00	415,580.00	415,580.00	415,580.00	415,580.00	4,922,536.00
40000-1100 Loss/Gain to Lease	-18,545.07	-8,681.07	-6,684.07	-2,490.07	-17,156.07	-14,807.07	-13,639.07	-10,887.07	-17,764.07	-16,521.07	-16,206.07	-18,481.07	-161,861.84
41000-1798 BASE SCHEDULED RENT	380,928.93	390,792.93	392,789.93	396,983.93	398,423.93	400,772.93	401,940.93	404,692.93	397,815.93	399,058.93	399,373.93	397,098.93	4,760,674.16
41000-0000 OTHER RENTAL INCOME													
41000-2350 Prior Month Rent Adjustment	0.00	-2,752.00	10,249.82	1,430.75	6,921.55	4,053.75	301.00	-753.00	794.00	-1,246.48	1,390.00	529.00	20,918.39
41000-2400 Vacancy	-20,633.50	24,624.50	-16,628.50	-16,465.77	-27,305.50	-15,972.50	11,985.00	-19,736.00	-14,750.00	-15,599.00	-11,361.00	-11,857.00	-182,348.27
41000-2800 Model/Floor Revenue Unit	-3,023.00	-3,023.00	-3,023.00	-3,023.00	-3,112.00	-3,112.00	-3,112.00	-3,112.00	-3,112.00	-3,112.00	-3,112.00	-3,112.00	-36,988.00
41000-2900 Rent Concessions	-77.00	-121.00	-51,075.00	-11,132.14	-11,539.50	-10,795.55	-10,671.94	-10,440.00	-10,290.00	-10,772.00	-10,215.00	-10,121.50	-147,250.63
41000-4200 Employee Unit Loss	-2,900.00	-621.00	-3,023.00	-3,023.00	-3,023.00	-3,023.00	-3,023.00	-3,023.00	-3,023.00	-3,023.00	-4,811.53	-5,847.00	-38,363.53
41000-4500 Write-Off Delinquent Rent	0.00	-251.42	966.00	-11,897.70	0.00	9,722.00	0.00	0.00	0.00	0.00	-1,880.00	0.00	-22,785.12
41000-4600 Lease Cancellations	0.00	0.00	0.00	1,381.83	3,856.23	0.00	417.77	1,238.00	5,032.00	4,719.00	5,935.00	2,405.00	24,984.83
41000-4800 Delinquent Rent	-14,105.11	-20,053.98	9,249.23	8,087.39	5,632.82	7,936.85	-668.11	-8,832.00	-5,831.50	7,171.85	-5,670.93	-15,515.89	-32,609.38
41000-5100 Prepaid Rent Collected	9,026.46	1,196.28	2,534.91	-1,372.22	4,856.10	6,794.96	-4,166.39	-7,568.07	-4,947.56	-1,411.74	-1,605.48	2,028.34	5,365.57
41000-5110 Prior Year Adjustments	3,218.37	0.00	0.00	0.00	-2,255.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	963.37
41000-5800 Collections/Agency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	809.05	0.00	0.00	0.00	0.00	809.05
41000-6000 Collections/Resident	0.00	0.00	0.00	0.00	0.00	470.01	0.00	0.00	0.00	0.00	0.00	0.00	470.01
41499-9999 TOTAL OTHER RENTAL INCOME	-27,893.78	-50,260.62	-50,749.54	-36,013.86	-25,968.30	-23,369.48	-8,937.67	-52,226.07	-35,319.03	-23,273.37	-31,336.94	-41,491.05	-406,833.71
41950-0000 RENTAL INCOME - RETAIL													
41950-0100 Market Rent - Retail	12,569.75	15,223.75	15,223.75	15,223.75	15,223.75	15,223.75	15,223.75	15,223.75	22,659.75	22,659.75	22,659.75	22,659.75	209,775.00
41950-1900 Vacancy - Retail	0.00	0.00	0.00	0.00	0.00	0.00	-20,212.50	-2,887.50	-2,887.50	2,887.50	-2,887.50	-2,887.50	-34,650.00
41950-0200 Prepaid Rent - Retail	6,417.72	0.00	0.00	4,000.18	0.00	0.00	0.00	0.00	0.00	4,000.18	0.00	0.00	6,417.72
41950-0210 Prior Year Adjustments Retail	10,915.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,915.10
41950-0300 Delinquent Rent - Retail	-17,220.82	-8,994.64	7,927.18	-6,193.32	-15,382.18	18,146.00	-4,656.18	-3,156.18	6,296.34	-0.40	3,155.78	-0.40	-20,078.82
41950-9999 TOTAL RENTAL INCOME - RETAIL	12,661.75	6,229.11	23,150.93	13,030.61	-158.43	33,369.75	-9,644.93	9,180.07	26,068.59	15,771.67	22,928.03	19,771.85	172,379.00
41999-9999 TOTAL RENTAL INCOME	365,716.90	346,761.42	365,191.32	374,008.68	372,297.20	410,773.20	383,358.33	361,646.93	388,565.49	391,557.23	390,971.02	375,379.73	4,526,219.45
42000-0000 OTHER INCOME - RESIDENTIAL													
42100-1000 Carport/Garage Income	1,150.00	1,396.00	1,129.00	1,272.00	1,735.00	1,578.00	1,620.00	1,515.00	1,444.00	1,691.00	1,902.00	1,509.00	17,941.00
42400-1100 Pet Fees	823.00	675.00	611.00	612.00	703.00	665.00	595.00	632.00	702.00	713.00	726.00	793.00	8,250.00
42400-1200 Pet Rent	105.00	70.00	208.00	175.00	70.00	110.33	155.00	155.00	155.00	255.00	255.00	255.00	1,968.33
42400-1400 Write-Off to Other Inc	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.15	0.66	-21.49
42400-1600 Deposits Applied to Cancelled M/I	0.00	0.00	0.00	0.00	500.00	500.00	100.00	0.00	0.00	0.00	0.00	0.00	1,100.00
42400-1700 Deposits Applied To Apt Repairs	73.70	2,768.36	335.00	1,365.00	2,190.00	809.40	1,996.60	5,621.20	2,762.66	2,807.97	1,988.55	1,752.85	24,468.31

Renaissance at City Center Res/Retail (renew)

Statement (12 months)

Period = Jan 2018-Dec 2018

Bgk = Cash ; Tree = ren js

	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Total
42500-1000 Oth Inc-Utility-Electric Only	368.14	58.55	315.60	128.85	224.01	43.52	79.30	113.40	209.65	78.13	174.06	107.76	1,900.97
42500-1100 Oth Inc-Utility-Gas Only	2,221.11	3,132.27	3,557.04	3,144.61	4,250.87	2,890.93	2,544.29	2,657.81	2,212.02	1,846.55	2,277.70	2,353.49	33,088.79
42500-1400 Oth Inc-Utility-Sewer	2,693.60	2,746.24	3,248.62	2,948.90	2,921.90	2,591.95	2,998.11	2,968.78	2,689.77	3,036.41	2,802.41	2,947.15	34,593.84
42500-1500 Oth Inc-Utility-Trash	2,668.56	2,614.45	3,018.32	3,763.16	2,881.96	2,240.50	2,938.42	2,894.16	2,630.34	3,352.89	3,030.39	2,744.76	34,777.91
42500-1700 Oth Inc-Utility-Water	1,416.44	1,684.42	2,065.80	1,900.76	1,828.53	1,971.75	2,233.39	2,527.56	2,006.60	2,064.96	1,566.76	1,964.61	23,231.60
42500-1900 Oth Inc-Utility-Admin	792.75	637.22	734.85	600.80	681.65	566.80	766.70	731.45	618.60	788.55	702.80	662.75	8,284.92
42700-2000 Oth Inc-Credit Check/Application Fee	0.00	405.00	450.00	540.00	1,050.00	525.00	540.00	810.00	705.00	855.00	300.00	0.00	6,180.00
42700-3100 Oth Inc-Late Fees	504.31	3,300.00	-1,731.59	-196.02	-298.79	278.97	750.00	613.54	537.44	953.62	668.24	677.16	6,056.78
42700-3300 Oth Inc-Legal Fees	0.00	0.00	0.00	0.00	0.00	95.00	810.00	0.00	0.00	980.00	0.00	0.00	1,885.00
42700-3500 Oth Inc-Month-To-Month Fees	430.00	1,041.00	600.00	200.00	600.00	1,116.00	906.00	488.00	373.67	-99.67	0.00	0.00	5,555.00
42700-3900 Oth Inc-Nsf Fees	0.00	25.00	50.00	100.00	50.00	75.00	25.00	75.00	25.00	75.00	100.00	25.00	625.00
42700-4000 Oth Inc-Misc Fee Income	100.00	550.00	610.00	580.00	640.71	544.29	650.00	850.00	367.36	687.64	565.00	247.50	6,412.50
42700-4400 Oth Inc-Storage	2,190.00	2,333.00	2,258.00	2,330.00	2,434.00	1,917.00	2,207.00	2,276.94	2,023.06	2,333.00	2,116.00	2,318.00	26,736.00
42800-1000 Oth Inc-Interest Income	21.32	21.32	26.97	14.16	16.61	18.11	21.52	23.73	26.11	28.95	29.61	18.64	267.05
43999-9999 TOTAL OTHER INCOME - RESIDENTIAL	15,554.95	23,457.83	17,486.51	19,479.22	22,479.45	18,537.55	21,936.33	24,953.57	19,488.30	22,448.10	19,202.37	18,377.33	243,401.51
46000-0000 OTHER INCOME - RETAIL													
46100-1000 Reimbursement CAM	3,907.15	2,778.75	15,303.00	10,284.86	8,413.64	9,259.64	5,691.00	6,341.64	8,892.02	7,185.40	8,031.40	7,186.40	93,274.90
46999-9999 TOTAL OTHER INCOME - RETAIL	3,907.15	2,778.75	15,303.00	10,284.86	8,413.64	9,259.64	5,691.00	6,341.64	8,892.02	7,185.40	8,031.40	7,186.40	93,274.90
49999-9999 TOTAL INCOME	385,179.00	372,998.00	397,980.83	403,764.76	403,190.29	438,570.39	410,985.66	392,942.14	416,945.81	421,190.73	418,204.79	400,943.46	4,862,895.86
50000-0000 EXPENSES													
50000-0100 PAYROLL AND BENEFITS													
50300-1000 Sal P/M-Community Director	8,436.61	5,993.16	4,366.83	5,660.88	8,123.14	7,219.72	5,460.25	8,008.85	6,881.92	7,193.85	8,912.56	3,340.29	79,598.06
51500-0000 Sal Maint-Other	2,794.70	3,207.54	1,590.44	704.97	0.00	3,021.24	2,903.86	3,073.59	3,001.50	2,803.47	3,231.81	2,313.85	28,646.97
51600-0000 Sal Maint-Supervisor	2,803.97	4,200.47	3,997.02	3,249.60	3,916.64	3,900.47	3,292.35	4,891.87	3,845.44	3,694.14	4,184.31	3,457.69	45,433.97
51603-1200 Temporary Services-Maintenance	0.00	0.00	0.00	2,719.60	1,310.96	6,717.60	1,119.60	1,119.60	0.00	0.00	419.85	855.70	14,260.91
53100-0000 Sal P/M-Assn't Resident Mgr	2,744.95	3,015.98	1,087.79	397.15	3,702.63	5,263.01	3,475.77	4,097.57	4,868.27	4,066.86	3,799.26	3,141.58	39,660.82
53700-0000 Sal P/M-Leasing Agent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	669.60	0.00	659.60
54020-3000 Sal Admin-Acctg/Auditing	123.01	233.58	337.59	175.98	232.29	434.00	293.98	546.74	419.33	216.21	653.53	72.54	3,738.78
54170-0000 Sal Admin-Marketing-Administrative Ass't	144.50	196.30	233.11	134.28	99.28	74.15	119.86	48.47	-65.00	0.00	159.51	160.20	1,304.67
54171-0000 Sal Regional Maintenance	113.38	137.24	134.80	127.89	523.93	-67.00	0.00	0.00	0.00	0.00	0.00	0.00	970.24
54220-0000 Sal Admin-P/M Administrative Assis	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	442.98	110.86	110.86	55.86	720.56
55000-1000 Temporary Services-Administrative	951.83	1,897.18	4,383.83	2,434.36	1,813.00	207.00	2,074.00	1,079.15	356.13	424.11	1,900.42	0.00	15,654.41
56000-1900 Sal Burden-Fica	1,276.67	1,254.06	860.77	780.27	1,213.32	1,491.43	1,164.71	1,552.63	1,456.16	1,360.27	1,614.36	910.50	14,935.15
56000-2000 Sal Burden-Futa	92.58	279.40	13.46	10.86	22.89	33.61	17.29	11.26	-9.00	0.00	0.38	34.43	507.16
56000-2100 Sal Burden-Group Insurance	1,338.92	1,887.67	1,405.36	1,426.30	946.37	948.69	1,417.84	1,855.58	1,905.89	1,895.02	1,891.02	2,003.91	18,922.57
56000-2700 Sal Burden-Suta	882.29	476.68	49.17	95.92	202.18	290.98	152.72	99.39	-78.00	0.00	3.04	334.75	2,509.12

Renaissance at City Center Res/Retail (renew)

Statement (12 months)

Period = Jan 2018-Dec 2018

Book = Cash ; Tree = ren_js

	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Total
56000-2800 Sal Burden-Workmans Comp	1,640.72	1,534.08	-228.95	1,601.01	1,379.57	2,050.55	1,281.37	1,668.53	1,552.28	1,483.62	1,762.65	1,290.15	17,016.58
56000-2900 Sal Burden-3Rd Party Processing	181.19	170.69	103.27	102.61	153.12	179.72	143.08	186.58	175.39	163.80	198.39	148.16	1,906.00
56000-3200 Sal Burden-401(K) ER Contribution	113.26	106.68	63.53	64.11	95.69	113.09	89.41	136.61	122.74	133.08	161.17	120.06	1,299.43
56999-9999 TOTAL PAYROLL AND BENEFITS	23,638.58	24,590.71	18,398.02	19,685.79	23,735.01	31,878.27	21,140.49	28,356.42	24,876.03	23,545.29	29,672.72	18,237.67	287,755.00
57000-0000 LEASING AND MARKETING													
57000-1100 Adv-Call Source	383.00	292.00	337.50	337.50	0.00	0.00	0.00	0.00	0.00	0.00	292.50	0.00	1,642.50
57000-1300 Adv-Internet	856.47	855.95	843.45	843.45	1,180.95	771.00	1,180.95	1,240.90	1,046.45	1,569.45	918.45	1,770.75	13,079.22
57000-1400 Adv-Locator Service	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
57000-1450 Adv-Social Media Mgmt	207.50	117.81	118.14	458.46	118.50	118.50	208.50	75.00	75.00	75.00	0.00	165.00	1,737.41
57000-1800 Adv-Referral Fees	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
57000-1900 Adv-Signage	0.00	0.00	0.00	194.72	0.00	0.00	0.00	225.00	0.00	120.31	0.00	0.00	540.03
57000-2300 Promo-Complex General	0.00	0.00	728.11	368.76	2,004.65	765.70	0.00	45.43	0.00	0.00	210.00	87.93	4,210.58
57000-2800 Promotion-Model Decorating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.15	0.00	0.00	16.15
57000-3000 Promotion-Recreation	1,497.00	697.33	111.69	768.03	529.00	1,114.68	1,071.96	797.13	689.25	1,264.62	678.25	520.14	9,739.28
57000-9999 TOTAL LEASING AND MARKETING	2,943.97	2,463.09	2,139.09	2,970.92	3,833.10	3,269.86	2,461.41	2,383.46	1,810.70	3,045.53	2,099.20	2,543.82	31,964.17
57800-0000 MANAGEMENT FEES													
57800-1000 Fee Exp-Management Fee	9,640.09	9,365.12	9,710.92	10,295.75	10,149.54	10,977.21	10,264.93	9,822.96	10,397.55	10,531.61	10,455.04	10,092.18	121,622.90
57899-9999 TOTAL MANAGEMENT FEES	9,640.09	9,365.12	9,710.92	10,295.75	10,149.54	10,977.21	10,264.93	9,822.96	10,397.55	10,531.61	10,455.04	10,012.18	121,622.90
58000-0000 ADMINISTRATIVE EXPENSES													
58000-1200 Auto-Operating Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	56.76	0.00	0.00	115.30	70.50	242.56
58010-1200 Computer-Software License/Support	1,255.38	350.50	219.20	1,627.15	406.82	1,167.27	1,858.30	195.69	209.13	1,689.78	203.09	36.64	9,308.95
58010-1900 Computer-Supplies	0.00	0.00	0.00	0.00	0.00	0.00	110.00	8.47	0.00	0.00	45.490	110.00	683.37
58020-1000 Dues And Subscriptions/Associations	0.00	0.00	0.00	0.00	0.00	2,049.00	0.00	0.00	0.00	0.00	0.00	0.00	2,049.00
58030-1100 Equip Exp-Off Equip (Non-Cap)	0.00	0.00	0.00	0.00	249.31	-249.31	0.00	110.00	0.00	0.00	0.00	0.00	110.00
58040-1200 Fee Exp-Banking Services	28.89	28.20	22.35	14.08	9.99	3.65	4.14	4.58	4.98	5.45	3.21	43.71	173.23
58040-2100 Fee Exp-Credit Check	20.56	0.00	0.00	0.00	0.00	2,679.78	696.48	661.00	0.00	1,434.04	385.98	442.36	6,320.29
58040-2400 Fee Exp-General	0.00	0.00	0.00	0.00	12.43	0.00	0.00	201.00	0.00	0.00	0.00	20.00	233.43
58040-2600 Fee Exp-Genl Legal & Evictions	0.00	0.00	0.00	293.78	1,360.00	1,270.07	930.61	487.50	495.01	980.00	7,873.00	0.00	13,689.97
58040-4700 Auto Expense-Parking Space	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	14.00	0.00	0.00	14.00
58050-1300 Misc-General	0.00	0.00	0.00	0.00	0.00	0.00	0.00	284.85	0.00	15.00	0.00	0.00	299.85
58060-1500 Off-Duplicating Expenses	0.00	0.00	0.00	0.00	167.41	-167.41	0.00	0.00	0.00	0.00	0.00	0.00	275.00
58060-2000 Off-Supplies- Refreshments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	380.19	0.00	0.00	0.00	0.00	380.19
58060-2100 Off-Supplies-General	1,078.34	414.84	135.50	682.57	318.45	1,347.86	360.22	71.64	578.81	1,173.86	251.22	492.87	6,906.18
58060-2400 Off-Postage And Related	592.75	116.20	70.92	73.37	150.80	94.52	113.04	49.94	52.76	73.12	44.18	209.31	1,640.91
58070-1000 Personnel-Employee Classes	140.80	57.78	42.45	42.35	0.00	0.00	240.00	126.24	41.72	47.09	0.00	101.43	839.86
58070-2400 Personnel-Travel/Ent-Other-General	269.64	56.02	510.72	70.47	15.00	0.00	0.00	0.00	0.00	195.28	280.13	0.00	1,397.26
58070-2800 Personnel-Recruitment-General	57.72	328.70	259.23	140.54	271.68	117.44	85.00	0.00	0.00	0.00	0.00	99.23	1,359.54

Renaissance at City Center Res/Retail (rencc)

Statement (12 months)

Period = Jan 2018-Dec 2018

Book = Cash ; Tree = ren js

	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Total
60000-3800 Telephone & Communications	1,872.33	1,841.47	1,848.24	1,442.27	1,467.04	1,468.79	1,596.23	3,421.20	3,525.91	3,303.84	2,107.42	3,917.46	27,812.20
58999-9999 TOTAL ADMINISTRATIVE EXPENSES	5,326.41	3,193.71	3,108.61	4,386.58	4,428.93	9,781.66	5,994.02	6,059.06	4,988.32	8,931.46	11,718.43	5,818.51	73,735.70
60000-0000 UTILITIES													
60000-1000 Util-Cable	320.83	322.26	322.27	310.71	349.67	349.67	375.99	355.16	258.97	384.17	321.31	350.79	4,021.80
60000-1100 Util-Electricity-Common Area	5,376.31	5,068.13	5,053.86	5,297.21	5,036.23	6,787.02	8,631.14	7,930.90	7,029.96	6,233.45	5,748.92	5,656.01	73,849.14
60000-1400 Util-Electricity-Vacant Units	434.56	263.33	209.82	224.52	287.73	317.26	332.85	552.45	0.00	487.89	289.81	325.74	3,725.99
60000-1500 Util-Billing Service Fee	658.30	793.69	929.91	533.55	693.80	716.50	1,416.65	697.45	733.10	824.40	746.25	762.05	9,505.65
60000-1700 Util-Garbage And Trash Collection	3,211.10	3,213.61	3,878.19	4,295.60	3,297.18	3,933.68	3,298.85	3,292.00	3,593.47	3,925.57	2,893.85	3,504.67	42,337.77
60000-1900 Util-Gas-Common Area	4,759.91	3,484.95	3,115.23	3,055.29	2,784.88	2,626.41	2,191.40	1,967.92	2,397.58	2,517.05	2,930.76	4,261.41	36,092.79
60000-2200 Util-Gas-Vacant Units	127.70	102.75	36.54	113.84	41.09	33.27	19.80	26.31	24.03	136.85	72.94	52.84	787.96
60000-2500 Util-Models-All	24.46	26.88	30.18	71.93	40.00	-3.66	13.00	69.83	199.49	17.91	50.77	5.53	546.32
60000-4000 Util-Water	1,139.20	2,235.73	1,670.07	2,056.42	1,856.69	2,243.75	2,603.80	2,137.28	2,322.84	2,022.67	1,678.32	1,851.87	23,818.64
60000-9999 TOTAL UTILITIES	16,052.37	15,511.33	15,246.07	15,959.07	14,387.27	17,003.90	18,883.51	17,029.30	16,559.44	16,549.96	14,732.93	16,770.91	194,686.06
61000-0000 REPAIR & MAINTENANCE													
61000-1300 R & M-Appliances	426.83	559.72	920.21	347.39	2,611.90	1,028.59	0.00	1,667.97	269.39	884.59	635.89	0.00	9,361.48
61000-1500 R & M-Backflow	0.00	0.00	0.00	375.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	375.00
61000-1600 R & M-Boiler Repair	105.00	105.00	0.00	210.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	1,260.00
61000-1700 R & M-Bldg Exp/Bldg Movement	5,582.95	0.00	0.00	0.00	2,467.93	13,348.57	17,785.00	0.00	0.00	3,550.00	7,400.00	0.00	50,134.45
61000-2000 R & M-Carpet Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	500.00
61000-2100 R & M-Carpet Cleaning for Renewals	75.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00
61000-2550 R & M-Common Area/Exterior Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18,000.00	0.00	7,985.34	0.00	0.00	25,985.34
61000-2900 R & M-Counter Tops	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	1,500.00
61000-3200 R & M-Drapes Non Turnover	0.00	0.00	0.00	119.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	119.42
61000-3300 R & M-Electrical	0.00	398.90	843.62	0.00	0.00	5,904.34	0.00	3,711.25	587.74	189.00	1,817.38	0.00	13,452.23
61000-3400 R & M-Electrical Supplies	136.11	0.00	0.00	34.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	170.11
61000-3500 R & M-Elevator	805.99	1,844.12	1,199.12	2,759.12	1,394.12	2,918.93	1,029.12	1,285.74	1,011.62	809.12	1,214.12	1,484.12	17,155.24
61000-3800 R & M-Equipment	815.80	0.00	0.00	0.00	159.38	1,197.37	0.00	77.44	0.00	62.13	0.00	0.00	2,312.12
61000-3900 R & M-Exterior Signage	0.00	0.00	0.00	225.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	225.00
61000-4000 R & M-Exterminating	472.00	1,572.00	322.00	328.00	2,495.00	1,303.00	553.00	650.00	289.00	315.00	249.00	710.00	9,258.00
61000-4700 R & M-General	1,044.12	305.73	2,499.61	973.23	239.56	2,897.24	2,335.11	748.92	45,789.02	1,971.52	2,541.60	1,722.37	63,068.03
61000-5500 R & M-HVAC	65.51	435.29	22.15	967.73	0.00	0.00	3,817.66	53.92	1,670.00	2,150.52	225.00	75.13	9,482.91
61000-5900 R & M-Janitorial Service	4,437.50	4,813.08	6,078.11	3,767.23	4,755.23	3,767.35	4,724.91	4,952.88	4,151.10	627.88	0.00	0.00	42,075.27
61000-6100 R & M-Janitorial Supplies	0.00	0.00	0.00	0.00	17.34	498.12	0.00	63.42	0.00	96.35	0.00	0.00	675.23
63000-1000 Landscape Contract	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	2,580.00	1,100.00	21,680.00
63000-2000 R & M-Landscape Supplies	221.0	144.49	5,994.00	570.34	0.00	0.00	0.00	0.00	0.00	1,580.00	0.00	0.00	8,310.93
63000-5000 R & M Landscape Tree Trimming	0.00	0.00	2,850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85.00	0.00	2,935.00
63000-6000 R & M-Landscape/Irrigation-Sprinklers	0.00	135.00	0.00	1,878.50	0.00	0.00	0.00	970.90	0.00	0.00	0.00	0.00	2,984.40
61000-6500 R & M-Light Bulbs & Fixtures	0.00	0.00	0.00	0.00	589.42	274.19	0.00	0.00	0.00	0.00	0.00	0.00	863.61

Renaissance at City Center Res/Retail (renew)

Statement (12 months)

Period = Jan 2018-Dec 2018

Bgk = Cash ; Tree = ren js

	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	Jul 2018	Aug 2018	Sep 2018	Oct 2018	Nov 2018	Dec 2018	Total	
61000-6600 R & M-locks & Keys	359.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.49	670.45
61000-6900 R & M-Non-Turnover	318.00	1,400.83	0.00	741.52	343.82	966.76	653.46	831.67	47.18	230.69	771.93	129.14	6,435.00	
61000-7300 R & M-Painting Materials & Suppl	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.00	0.00	0.00	0.00	0.00	75.00	
61000-7500 R & M-Parking Lot Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	396.00	0.00	0.00	0.00	0.00	396.00	
61000-7600 R & M-Plumbing	489.60	1,242.98	1,737.75	0.04	0.00	0.00	225.00	0.00	204.25	1,032.00	617.36	212.10	5,761.08	
61000-7800 R & M-Plumbing Supplies/Parts	0.00	0.00	0.00	656.89	120.61	0.00	0.00	127.50	0.00	0.00	0.00	0.00	905.00	
61000-8000 R & M-Pool Contract	640.00	640.00	365.00	615.00	615.00	615.00	615.00	615.00	630.88	615.00	615.00	615.00	7,395.88	
61000-8100 R & M-Pool, Fnt, Suppl & Rpr	0.00	96.32	2,840.00	93.07	80.92	24,022.39	0.00	861.42	0.00	1,642.27	0.00	0.00	29,576.39	
61000-8600 R & M-Screens/Windows	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	1,952.58	210.00	0.00	2,162.58	
61000-8800 R & M-Security Gate Exp	0.00	0.00	0.00	608.09	0.00	0.00	0.00	0.00	0.00	916.13	0.00	0.00	1,524.22	
61000-9300 R & M-Surface Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,475.00	5,425.00	1,125.00	275.00	0.00	8,300.00	
61000-9800 R & M-Uniforms	0.00	134.36	0.00	0.00	62.34	35.82	276.90	11.11	0.00	366.16	20.04	0.00	906.73	
64000-1300 Sec-Safety/Fire Prevention	264.00	0.00	1,223.28	911.00	1,474.90	758.45	1,328.20	3,986.08	1,891.00	3,683.35	1,194.36	1,190.99	17,905.61	
64000-1400 Sec-Security Patrol	3,455.00	2,520.00	4,788.00	7,728.00	5,040.00	4,980.00	2,143.00	8,260.00	4,713.68	3,026.22	5,130.00	5,130.00	56,913.90	
61999-9999 TOTAL REPAIR & MAINTENANCE	21,325.47	18,157.82	33,682.85	25,108.57	24,372.47	66,421.12	37,391.36	52,166.22	88,583.86	37,215.85	25,686.68	12,774.34	422,886.61	
62000-0000 TURNOVER EXPENSES														
62000-1000 R & M-Turnover Cleaning Contractor	600.00	1,642.88	1,350.00	1,500.00	1,509.12	2,244.00	1,691.50	1,920.00	500.00	5,596.23	4,941.65	9,149.59	32,644.97	
62000-1100 R & M-Turnover Appliance Repair	717.44	0.00	0.00	0.00	0.00	1,230.51	0.00	957.60	0.00	1,967.57	0.00	0.00	4,873.12	
62000-1200 R & M-Turnover Carpet Clean/Repair-Vac	390.00	235.00	795.00	75.00	0.00	0.00	0.00	640.00	0.00	0.00	0.00	0.00	2,135.00	
62000-1600 R & M-Turnover Plumbing	380.98	0.00	0.00	0.00	0.00	0.00	-114.24	0.00	0.00	0.00	0.00	0.00	266.74	
62000-2200 R & M-Turnover Draperies/Blinds	0.00	268.70	0.00	0.00	500.04	0.00	242.70	0.00	0.00	0.00	0.00	327.58	1,339.02	
62000-2400 R & M-Turnover Flooring	0.00	785.00	75.00	450.00	3,732.00	4,023.67	3,542.33	2,518.70	6,712.66	2,304.86	1,764.98	2,947.42	28,856.62	
62000-2600 R & M-Turnover Forfeited Dep Damages	0.00	2,990.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,990.00	
62000-2700 R & M-Turnover Interior Cng Suppl	69.31	528.79	723.02	721.89	418.64	175.93	308.04	599.35	324.57	341.95	565.42	0.00	4,776.91	
62000-2800 R & M-Turnover Interior Repairs	112.72	352.70	231.75	1,466.86	863.79	1,851.80	2,651.80	582.28	3,571.08	1,430.15	1,386.66	0.00	14,501.59	
62000-3000 R & M-Turnover Paint Contractor	700.00	830.00	2,845.00	2,680.00	3,345.00	2,735.00	1,950.00	4,447.00	1,140.00	0.00	962.99	8,512.75	30,147.74	
62000-3100 R & M-Turnover Painting	1,011.26	755.61	789.39	941.91	790.52	953.61	1,457.69	715.47	1,382.28	1,401.18	73.32	275.78	10,248.02	
62999-9999 TOTAL TURNOVER EXPENSES	3,981.71	8,388.68	6,809.16	7,835.66	11,159.11	13,214.52	11,729.82	12,380.40	13,330.59	13,041.94	9,695.02	21,213.12	132,779.73	
64999-9999 TOTAL EXPENSES	82,908.60	81,670.46	89,094.72	86,242.34	92,063.43	152,546.56	107,865.54	128,197.82	140,546.49	112,861.64	104,060.02	87,370.55	1,265,430.17	
64999-9999 TOTAL NOI	302,276.40	291,327.54	308,886.11	317,522.42	311,124.86	286,023.83	303,120.12	264,744.32	276,399.32	308,329.09	314,144.77	313,572.91	3,597,465.69	

Renaissance at City Center Res/Retail (reconc)

Statement (12 months)

Period = Jan 2019-Dec 2019

Book = Cash ; Tree = ren_js

	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Total
40005-0005 INCOME													
40000-0100 RENTAL INCOME													
40000-1000 Market Rent	415,580.00	418,555.00	418,555.00	418,555.00	418,555.00	418,555.00	418,555.00	417,555.00	417,555.00	417,555.00	401,750.00	414,600.00	4,995,925.00
40000-1100 Loss/Gain to Lease	-17,801.07	-14,833.07	-14,056.72	-13,559.72	-11,782.19	-12,604.19	-7,898.19	-6,447.19	-7,080.89	-6,789.39	8,992.19	-6,852.81	-110,712.24
41000-1798 BASE SCHEDULED RENT	397,778.93	403,721.93	404,498.28	404,996.28	406,772.81	405,950.81	410,656.81	411,107.81	410,474.11	410,765.61	410,742.19	407,747.19	4,885,212.76
41000-0000 OTHER RENTAL INCOME													
41000-2350 Prior Month Rent Adjustment	695.00	7.00	98.00	0.00	0.00	498.00	-671.00	-242.00	1,413.00	243.00	-1,343.00	-204.00	495.00
41000-2400 Vacancy	2,173.00	-9,012.00	-7,348.00	-1,661.00	-9,127.00	-5,047.00	-18,118.00	-17,514.00	-11,198.00	-3,950.00	-11,483.00	-10,592.00	-107,223.00
41000-2800 Model/Floor Revenue Unit	-3,112.00	-3,137.00	-3,137.00	-3,137.00	-3,137.00	-3,137.00	-3,137.00	-3,137.00	-3,137.00	-3,137.00	-2,860.00	-3,040.00	-37,245.00
41000-2900 Rent Concessions	-10,140.00	-4.00	0.00	0.00	0.00	0.00	-1,318.00	-115.00	0.00	0.00	2,341.35	-320.00	-14,238.35
41000-4200 Employee Unit Loss	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-70,164.00
41000-4500 Write-Off Delinquent Rent	-248.00	20,835.00	0.00	0.00	-2,487.00	-18,843.30	0.00	-13,000.11	-197.00	-428.00	0.00	0.00	-56,038.41
41000-4600 Lease Cancellations	2,834.00	3,096.00	0.00	0.00	5,349.00	7,114.27	0.00	1,144.79	2,564.00	1,139.95	4,845.00	4,691.00	32,778.01
41000-4800 Delinquent Rent	-30,153.11	15,357.89	2,606.58	-12,311.17	-7,476.22	19,747.71	-4,794.27	8,560.08	1,245.47	456.71	-759.58	428.77	-7,091.14
41000-5100 Prepaid Rent Collected	6,136.97	4,753.87	-9,086.13	8,927.22	-3,269.72	7,516.63	-6,630.83	1,238.22	-822.14	208.26	1,418.24	-4,405.49	12,796.08
41000-5110 Prior Year Adjustments	-40,904.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40,904.91
41000-5800 Collections/Agency	170.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	170.00
41000-6000 Collections/Resident	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,690.71	0.00	1,690.71
41499-9999 TOTAL OTHER RENTAL INCOME	-931.23	-15,620.24	-22,713.55	-14,028.95	-27,994.94	2,002.31	-40,516.10	-28,912.02	-15,978.67	-11,314.08	-16,679.98	-10,477.74	-203,165.19
41950-0000 RENTAL INCOME - RETAIL													
41950-0100 Market Rent - Retail	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	271,917.00
41950-1900 Vacancy - Retail	-2,887.50	-2,887.50	-2,887.50	-2,887.50	-2,887.50	-2,887.50	-2,887.50	-2,887.50	-2,887.50	0.00	0.00	0.00	-25,987.50
41950-0200 Prepaid Rent - Retail	6,417.72	252.25	252.25	0.00	504.50	252.39	-1,925.30	-91.51	0.00	0.00	1,967.30	0.00	7,629.60
41950-0300 Delinquent Rent - Retail	20,079.22	-0.40	2,135.00	-7,149.43	-967.23	-2,881.93	-3,642.02	-6,459.49	-6,294.03	-7,157.43	-308.96	-17,296.15	-74,372.29
41950-9999 TOTAL RENTAL INCOME - RETAIL	6,110.75	20,024.10	17,888.50	12,622.82	19,309.52	17,142.71	14,204.93	13,221.25	13,478.22	15,502.32	24,318.09	5,363.60	179,186.81
41999-9999 TOTAL RENTAL INCOME	402,958.45	408,125.79	399,673.23	403,590.15	398,087.39	425,095.83	384,345.64	395,417.04	407,973.66	414,953.85	418,380.30	402,633.05	4,861,234.38
42000-0000 OTHER INCOME - RESIDENTIAL													
42100-1000 Carport/Garage Income	1,636.73	2,100.77	2,148.50	2,578.42	2,462.66	2,138.79	2,176.32	2,036.19	1,493.00	1,997.50	1,764.64	1,417.00	23,950.52
42400-1100 Pet Fees	740.00	1,268.00	1,895.29	1,465.00	1,525.81	1,362.00	1,548.81	1,117.28	1,408.00	1,320.00	1,211.00	765.00	15,626.19
42400-1200 Pet Rent	185.00	221.29	-406.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	150.00
42400-1400 Write-Off to Other Inc	0.00	0.69	0.00	0.00	0.00	-500.72	0.00	0.02	0.00	0.00	0.00	0.00	-500.01
42400-1600 Deposits Applied to Cancelled M/I	0.00	0.00	0.00	0.00	0.00	375.00	0.00	0.00	0.00	250.00	0.00	0.00	625.00
42400-1700 Deposits Applied To Apt Repairs	3,056.20	3,723.56	2,330.60	366.60	1,460.08	1,622.40	1,778.60	1,132.20	1,522.20	414.00	1,392.00	2,123.00	20,921.44
42500-1000 Oth Inc-Utility-Electric Only	148.98	68.07	33.26	85.89	45.17	-15.66	76.66	248.49	54.40	94.77	146.93	0.00	986.96

Renaissance at City Center Res/Retail (rencc)
Statement (12 months)
 Period = Jan 2019-Dec 2019
 Bgk = Cash ; Tree = ren.je

	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Total
42500-1100 Oth Inc-Utility-Gas Only	2,688.53	3,678.73	4,114.52	3,909.88	4,370.66	3,588.77	3,085.20	3,344.32	2,581.47	1,939.15	2,185.03	2,477.47	37,963.73
42500-1300 Oth Inc-Utility-Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	80.80	0.00	0.00	0.00	80.80
42500-1400 Oth Inc-Utility-Sewer	2,956.00	2,461.24	3,376.46	2,815.15	2,820.50	2,768.89	2,969.71	3,037.13	2,511.59	3,310.39	3,022.05	3,055.42	34,904.53
42500-1500 Oth Inc-Utility-Trash	3,047.76	2,383.97	3,152.50	2,827.54	2,844.40	2,768.57	2,972.93	3,012.15	2,497.25	3,094.47	2,999.41	3,059.58	34,660.83
42500-1700 Oth Inc-Utility-Water	1,576.07	1,398.44	1,818.28	2,030.74	2,340.31	2,068.55	2,664.62	2,278.91	1,783.44	3,050.66	2,825.97	2,998.44	26,834.43
42500-1900 Oth Inc-Utility-Admin	700.20	498.15	823.40	696.40	649.00	684.70	683.45	739.75	621.30	796.45	673.05	563.40	8,129.25
42700-2000 Oth Inc-Credit Check/Application Fee	885.00	405.00	367.66	405.00	525.00	660.00	447.67	855.00	675.00	180.00	225.00	630.00	6,260.33
42700-3100 Oth Inc-Late Fees	1,117.15	679.28	1,016.97	500.01	606.51	544.47	600.00	649.67	492.40	597.42	453.78	784.65	8,041.41
42700-3300 Oth Inc-Legal Fees	615.00	0.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	444.50	0.00	0.00	2,259.50
42700-3500 Oth Inc-Month-To-Month Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.00	200.00	207.00
42700-3900 Oth Inc-Nsf Fees	100.00	25.00	75.00	25.00	50.00	0.00	0.00	0.00	50.00	25.00	50.00	75.00	475.00
42700-4000 Oth Inc-Misc Fee Income	966.25	375.00	425.00	647.40	722.40	437.50	562.50	250.00	287.50	325.00	487.50	362.50	5,848.75
42700-4200 Oth Inc-Renters Insurance	105.71	459.84	297.60	150.00	300.00	375.00	375.00	300.00	206.80	223.75	301.25	425.00	3,519.95
42700-1400 Oth Inc-Storage	2,365.97	2,089.00	2,111.00	1,996.00	2,074.00	1,963.00	2,012.00	2,024.00	2,132.00	1,964.00	2,577.00	2,183.00	25,490.97
42800-1000 Oth Inc-Interest Income	21.83	21.30	20.08	14.65	10.98	11.05	13.05	15.74	17.47	22.92	23.38	0.00	192.45
42800-1100 Oth Inc-Interest Income-Security Deposit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	810.77	0.00	0.00	0.00	810.77
43999-9999 TOTAL OTHER INCOME - RESIDENTIAL	22,912.38	21,857.33	23,598.93	20,513.98	23,607.68	20,852.31	21,966.52	21,040.85	19,225.39	20,249.98	20,344.99	21,269.46	257,439.80
46000-0000 OTHER INCOME - RETAIL													
46100-1000 Reimbursement CAM	7,186.40	7,186.40	6,058.00	12,126.60	5,408.00	5,408.00	5,408.00	4,385.57	5,093.70	5,408.00	8,226.15	2,128.75	74,023.57
46999-9999 TOTAL OTHER INCOME - RETAIL	7,186.40	7,186.40	6,058.00	12,126.60	5,408.00	5,408.00	5,408.00	4,385.57	5,093.70	5,408.00	8,226.15	2,128.75	74,023.57
49999-9999 TOTAL INCOME	433,057.23	437,169.52	429,338.16	436,230.73	427,103.07	451,356.14	411,720.16	420,843.46	432,292.75	448,611.83	446,951.44	426,031.26	5,192,697.75
50000-0005 EXPENSES													
50000-0100 PAYROLL AND BENEFITS													
50000-1000 Sal P/H-Community Director	4,539.56	6,253.87	6,924.21	8,114.40	6,223.67	4,900.33	5,434.65	7,829.16	5,806.16	6,099.21	6,671.25	5,259.70	74,056.17
51500-0000 Sal Maint-Other	3,136.43	3,339.28	1,131.22	1,986.97	2,779.10	-666.49	1,206.10	3,333.60	5,344.24	3,091.05	3,093.51	3,624.76	31,399.77
51600-0000 Sal Maint-Supervisor	4,499.22	4,043.90	3,148.73	3,330.98	4,067.94	3,434.90	3,444.40	5,038.13	4,841.67	4,025.52	3,820.18	3,471.34	47,166.91
51603-1200 Temporary Services-Maintenance	223.92	699.75	447.84	1,315.53	0.00	671.76	1,511.46	1,063.62	0.00	0.00	0.00	0.00	5,933.88
53100-0000 Sal P/H-Assn'T Resident Mgr	3,255.44	4,298.62	4,293.15	4,140.34	3,948.55	4,579.52	3,677.24	4,653.31	4,271.08	3,743.16	255.78	-1,064.29	40,051.90
53200-0000 Sal P/M-Bonus-Office	0.00	964.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	964.00
53700-0000 Sal P/H-Leasing Agent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,785.24	2,779.93	5,565.17
54020-0000 Sal Admin-Acctg Auditing	114.08	75.00	-71.03	0.00	0.00	120.47	255.20	194.10	254.58	288.03	219.88	257.89	1,708.20
54035-0000 Sal Admin-Acctg Construction	0.00	0.00	0.00	0.00	0.00	30.43	0.00	0.00	30.43	0.00	30.43	0.00	91.29
54170-0000 Sal Admin-Marketing-Administrative Asst	107.70	183.29	203.38	167.50	175.16	-23.93	0.00	0.00	0.00	0.00	0.00	0.00	813.10
54171-0000 Sal-Regional Maintenance	0.00	0.00	0.00	0.00	0.00	158.14	269.36	284.14	281.94	230.51	571.66	537.79	2,333.54
55000-1000 Temporary Services-Administrative	227.92	0.00	0.00	0.00	0.00	0.00	0.00	227.92	641.03	1,025.64	747.86	1,111.11	3,981.46
56000-1900 Sal Burden-Fica	1,156.31	1,423.76	1,159.95	1,317.67	1,274.52	916.15	1,049.16	1,588.71	1,551.86	1,296.94	1,277.93	1,316.37	15,329.33

Renaissance at City Center Res/Retail (rencc)

Statement (12 months)

Period = Jan 2019-Dec 2019

Book = Cash ; Tree = ren cc

	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Total
56000-2000 Sal Burden-Futa	90.66	78.14	-30.99	0.00	0.00	0.00	1.19	16.81	24.00	5.80	0.00	52.56	238.17
56000-2100 Sal Burden-Group Insurances	1,886.42	2,093.37	2,093.74	2,067.45	2,088.74	2,086.21	2,083.54	2,083.69	3,133.70	2,094.73	4,154.35	4,661.79	50,547.73
56000-2700 Sal Burden-Suta	852.32	498.33	-307.18	0.00	2.87	0.00	9.50	134.48	192.00	46.42	0.00	477.47	1,906.21
56000-2800 Sal Burden-Workmans Comp	1,361.99	1,675.78	1,434.60	1,544.74	1,528.26	1,210.22	1,293.34	1,804.30	1,853.14	1,732.87	1,727.35	1,808.55	18,975.14
56000-2900 Sal Burden-3Rd Party Processing	163.90	201.55	291.57	277.96	275.08	219.53	236.62	327.75	341.10	321.63	318.66	321.33	3,296.88
56000-3200 Sal Burden-401(K) ER Contribution	133.16	163.76	140.00	150.55	149.01	118.91	128.28	177.53	231.74	289.86	233.28	178.55	2,094.63
56999-9999 TOTAL PAYROLL AND BENEFITS	21,749.03	25,992.40	20,859.19	24,434.09	22,512.90	17,756.15	20,600.24	28,757.25	28,798.67	24,291.37	25,907.36	24,794.85	286,453.50
57000-0000 LEASING AND MARKETING													
57000-1100 Adv-Call Source	292.50	270.00	270.00	192.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,025.10
57000-1300 Adv-Internet	1,257.21	1,094.95	1,094.95	1,094.95	1,403.95	1,214.75	1,094.95	1,501.08	1,524.95	1,358.00	2,218.24	1,430.95	16,288.93
57000-1400 Adv-Locator Service	500.00	299.00	0.00	0.00	0.00	0.00	309.00	0.00	0.00	618.00	309.00	0.00	2,431.00
57000-1450 Adv-Social Media Mgmt	549.00	250.00	250.00	71.00	280.00	265.00	250.00	250.00	340.00	340.00	525.00	0.00	3,370.00
57000-2300 Promo-Complex General	250.00	250.00	315.75	358.45	250.00	-1,250.00	0.00	1,200.93	1,756.79	0.00	0.00	250.00	3,381.92
57000-2800 Promotion-Model Decorating	0.00	21.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.89
57000-3000 Promotion-Recreation	1,325.11	1,051.00	650.06	1,485.20	809.81	1,970.19	1,468.89	843.16	909.37	2,907.97	1,403.09	2,105.88	16,949.73
57000-9999 TOTAL LEASING AND MARKETING	4,173.82	3,236.84	2,580.76	3,202.20	2,743.76	2,199.94	3,142.84	3,885.17	4,840.11	5,223.97	4,455.33	3,786.83	43,471.57
57800-0000 MANAGEMENT FEES													
57800-1000 Fee Exp-Management Fee	10,835.26	10,963.89	10,704.40	10,874.09	10,660.36	11,289.00	10,266.82	10,516.41	10,813.49	10,950.21	11,160.16	10,543.64	129,577.73
57899-9999 TOTAL MANAGEMENT FEES	10,835.26	10,963.89	10,704.40	10,874.09	10,660.36	11,289.00	10,266.82	10,516.41	10,813.49	10,950.21	11,160.16	10,543.64	129,577.73
58000-0000 ADMINISTRATIVE EXPENSES													
58000-1200 Auto-Operating Cost	63.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63.69
58010-1200 Computer-Software License/Support	405.45	1,440.25	1,002.04	636.47	726.66	944.60	862.69	733.04	976.23	900.32	794.77	1,385.60	10,810.12
58010-1400 Computer-Online Leasing/Resident Portal	0.00	0.00	0.00	120.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	120.00
58010-1900 Computer-Supplies	0.00	0.00	0.00	0.00	0.00	950.40	0.00	0.00	999.79	0.00	0.00	0.00	1,950.19
58040-1200 Fee Exp-Banking Services	4.18	4.63	2.41	2.88	1.92	2.39	2.36	3.29	3.26	11.14	11.73	0.00	50.19
58040-2100 Fee Exp-Credit Check	0.00	772.34	211.04	0.00	274.94	0.00	0.00	0.00	0.00	276.94	165.52	316.46	2,017.24
58040-2400 Fee Exp-General	0.00	0.00	0.00	0.00	0.00	201.00	444.21	0.00	0.00	488.63	0.00	0.00	1,133.84
58040-2600 Fee Exp-Genl Legal & Evictions	710.00	970.00	45.68	1,719.56	1,535.00	6,925.00	984.75	1,048.75	850.00	835.00	2.36	575.00	16,201.10
58040-3000 Fee Exp-Licenses And Bonds	0.00	0.00	0.00	0.00	0.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00
58060-1500 Off-Duplicating Expenses	170.00	563.59	128.62	541.88	106.65	763.02	50.03	0.00	134.38	118.11	0.00	0.00	2,576.28
58060-2100 Off-Supplies-General	470.75	301.19	330.30	318.87	147.16	0.00	0.00	408.62	299.45	0.00	0.00	400.00	2,676.34
58060-2300 Off-Printing Supplies	0.00	70.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70.50
58060-2400 Off-Postage And Related	25.38	137.82	36.00	48.88	153.69	28.00	192.37	92.73	43.45	62.79	38.00	152.11	1,010.62
58070-1000 Personnel-Employee Classes	66.51	83.44	383.33	88.77	44.45	166.88	-30.76	0.00	109.50	0.00	1.79	12.45	926.36
58070-1100 Personnel-General Expenses	0.00	0.00	32.87	0.00	0.00	-32.87	0.00	0.00	0.00	0.00	57.49	93.05	150.54
58070-1200 Personnel-Recruitment	0.00	45.00	0.00	0.00	0.00	-45.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
58070-2200 Personnel-Travel/Ent-Meals-General	0.00	0.00	0.00	16.17	0.00	-16.17	0.00	0.00	0.00	0.00	0.00	41.64	41.64

Renaissance at City Center Res/Retail (rencc)

Statement (12 months)

Period = Jan 2019-Dec 2019

Book = Cash ; Tree = ren.js

	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Total
58070-2400 Personnel-Travel/Ent-Other-General	108.13	56.84	100.11	0.00	134.68	241.89	100.92	35.96	116.70	227.28	0.00	61.48	1,183.99
58070-2800 Personnel-Recruitment-General	0.00	-4.05	0.00	0.00	0.00	45.00	163.52	0.00	0.00	0.00	0.00	368.57	573.04
58120-1000 Oth Exp-Renters Insurance	0.00	37.96	117.85	93.29	87.59	99.97	106.23	99.20	90.75	64.63	49.20	61.98	908.55
60000-3800 Telephone & Communications	2,922.61	3,715.38	1,127.10	1,329.45	1,276.49	1,200.61	2,025.01	1,667.48	1,653.47	1,608.95	1,378.85	1,343.89	21,250.29
59999-9999 TOTAL ADMINISTRATIVE EXPENSES	4,947.70	8,194.89	3,517.35	4,918.22	4,488.63	11,514.72	4,901.33	4,089.07	5,276.98	4,593.79	2,499.71	4,812.23	63,754.62
60000-0000 UTILITIES													
60000-1000 Util-Cable	350.80	350.80	380.30	380.30	380.30	380.30	380.30	380.30	385.55	387.16	387.16	387.16	4,530.43
60000-1100 Util-Electricity-Common Area	5,946.96	4,670.65	4,913.61	4,740.36	4,667.73	4,773.90	4,773.90	4,773.90	6,708.39	7,532.23	5,618.46	4,808.17	63,928.26
60000-1400 Util-Electricity-Vacant Units	0.00	288.21	204.18	207.97	-39.91	215.55	575.65	376.26	0.00	382.79	0.00	0.00	2,210.10
60000-1500 Util-Billing Service Fee	698.95	740.75	735.75	843.23	-18.93	773.75	751.10	755.87	678.58	753.60	-38.00	725.00	7,399.65
60000-1700 Util-Garbage And Trash Collection	3,308.49	3,542.91	2,950.49	3,797.00	2,961.05	3,388.20	3,379.34	3,378.20	3,799.60	3,383.90	2,965.77	3,410.92	40,265.87
60000-1900 Util-Gas-Common Area	4,838.50	4,701.92	4,757.77	3,355.45	2,989.12	2,812.13	2,369.79	1,718.39	1,806.84	2,242.60	3,125.55	3,917.39	38,635.45
60000-2200 Util-Gas-Vacant Units	61.55	55.14	29.94	38.93	11.44	11.60	5.70	40.39	29.15	36.42	8.64	2.87	331.77
60000-2300 Util-Internet/DSL Charges	0.00	0.00	0.00	0.00	0.00	0.00	99.00	0.00	0.00	0.00	0.00	0.00	99.00
60000-2500 Util-Models-All	5.20	0.00	45.07	43.58	0.00	24.65	34.39	54.72	58.81	62.30	5.81	64.82	399.35
60000-4000 Util-Water	1,615.60	1,759.51	1,528.39	2,112.22	2,270.61	2,639.38	2,402.54	2,303.61	2,125.66	2,863.93	2,488.80	2,192.00	26,302.25
60000-9999 TOTAL UTILITIES	16,826.05	16,109.89	15,545.50	15,519.04	13,221.41	15,019.46	14,771.11	13,781.64	15,592.58	17,544.93	14,562.19	15,508.33	184,102.13
61000-0000 REPAIR & MAINTENANCE													
61000-1000 R & M-Air Conditioning	124.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-124.98	0.00	0.00	0.00
61000-1300 R & M-Appliances	2,387.91	1,342.39	1,863.63	1,574.00	1,588.87	993.60	2,849.37	2,718.28	3,711.00	2,242.93	948.61	2,244.05	24,464.64
61000-1500 R & M-Backflow	200.00	0.00	0.00	375.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	575.00
61000-1600 R & M-Boiler Repair	105.00	105.00	0.00	0.00	110.34	110.33	110.33	110.34	110.33	110.33	110.34	0.00	982.34
61000-1700 R & M-Bidding Exp/Ridg Movement	0.00	47,068.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20,361.23	0.00	67,429.39
61000-3100 R & M-Doors	0.00	0.00	0.00	0.00	369.99	0.00	0.00	0.00	391.28	107.52	0.00	0.00	868.79
61000-3300 R & M-Electrical	31.31	221.73	602.67	36.94	3,300.38	-1,526.39	461.36	401.01	802.33	4,366.61	1,132.78	1,501.48	11,331.31
61000-3500 R & M-Elevator	809.12	873.86	841.49	841.49	841.49	675.00	1,036.49	3,051.49	181.49	0.00	2,402.98	1,516.49	13,071.39
61000-3800 R & M-Equipment	0.00	481.78	288.12	0.00	0.00	0.00	0.00	2,586.65	109.49	0.00	0.00	0.00	1,138.04
61000-4000 R & M-Exterminating	1,810.00	420.00	210.00	210.00	285.00	300.00	245.00	542.00	380.00	210.00	245.00	565.00	5,422.00
61000-4700 R & M-General	988.13	932.51	5,109.49	1,764.15	1,703.66	23,118.58	1,969.03	6,655.00	11,184.23	6,331.58	1,420.67	9,698.68	70,875.71
61000-5500 R & M-HVAC	274.92	1,800.68	165.00	822.84	217.39	0.00	2,660.41	0.00	730.32	776.02	1,365.00	293.37	9,105.95
61000-5900 R & M-Janitorial Service	2,950.00	7,897.40	5,397.90	5,397.90	4,048.36	6,747.44	5,397.90	5,397.90	5,807.43	6,146.03	6,487.07	6,487.07	68,162.40
61000-6000 R & M-Janitorial Cleaning Tenant Suites	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	585.74	585.74
61000-6100 R & M-Janitorial Supplies	0.00	0.00	96.35	157.89	322.60	523.87	258.28	344.06	0.00	97.44	0.00	115.92	1,916.41
63000-1000 Landscape Contract	1,800.00	1,800.00	1,800.00	1,800.00	2,500.00	1,800.00	-1,400.00	1,000.00	1,000.00	1,000.00	1,000.00	11,150.00	25,250.00
63000-2000 R & M-Landscape Supplies	0.00	0.00	0.00	0.00	0.00	1,850.00	0.00	0.00	0.00	0.00	0.00	0.00	1,850.00
63000-6000 R & M-Landscape/Irrigation-Sprinklers	0.00	0.00	1,850.00	0.00	0.00	-1,850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
61000-6600 R & M-Locks & Keys	0.00	0.00	0.00	0.00	907.86	49.95	0.00	49.95	7.19	0.00	0.00	18.64	1,033.59
61000-6900 R & M-Non-Turnover	1,183.61	290.07	6.64	235.66	1,586.64	5,611.62	935.60	1,407.91	1,606.26	14,732.28	2,048.99	999.87	30,645.17

Renaissance at City Center Res/Retail (renew)

Statement (12 months)

Period = Jan 2019-Dec 2019

Book = Cash ; Tree = ren js

	Jan 2019	Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Total
61000-7300 R & M-Painting Materials & Suppl	0.00	368.86	0.00	0.00	291.49	506.08	11.54	0.00	0.00	0.00	0.00	0.00	1,177.97
61000-7600 R & M-Plumbing	3,374.65	670.08	66.56	5,167.03	796.98	1,192.64	789.17	1,490.23	1,412.10	4,437.24	0.00	657.36	20,074.04
61000-7800 R & M-Plumbing Supplies/Parts	0.00	0.00	102.18	0.00	0.00	151.79	0.00	0.00	0.00	0.00	162.62	0.00	416.59
61000-8000 R & M-Pool Contract	615.00	615.00	615.00	665.00	665.00	574.84	615.00	684.80	720.12	615.00	615.00	615.00	7,614.76
61000-8100 R & M-Pool,Fnt, Suppl & Rprs	0.00	445.00	0.00	0.00	1,152.50	0.00	0.00	0.00	0.00	591.46	0.00	0.00	2,188.96
61000-8600 R & M-Screens/Windows	0.00	436.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	436.00
61000-9300 R & M-Surface Repairs	0.00	877.58	625.00	1,818.00	0.00	0.00	3,907.51	0.00	0.00	0.00	0.00	0.00	7,228.09
61000-9800 R & M-Uniforms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	128.19	0.00	0.00	0.00	128.19
64000-1300 Sec-Safety/Fire Prevention	207.79	3,997.89	150.99	465.99	110.00	5,946.74	12,992.00	110.00	-179.01	422.25	285.00	40.99	25,550.73
64000-1400 Sec-Security Patrol	4,433.43	6,435.92	5,130.00	5,130.00	5,130.00	5,130.00	5,130.00	5,931.80	5,397.27	5,432.73	5,130.00	4,206.00	62,617.15
61999-9999 TOTAL REPAIR & MAINTENANCE	21,295.85	77,079.91	24,921.02	26,480.99	25,928.55	51,906.09	38,968.99	30,153.42	33,500.04	47,494.54	43,715.29	40,695.66	462,140.35
62000-0000 TURNOVER EXPENSES													
62000-1000 R & M-Turnover Cleaning Contractor	715.00	1,065.00	700.00	1,080.00	975.00	2,705.00	365.00	650.00	3,560.00	210.00	800.00	1,330.00	14,155.00
62000-2100 R & M Turnover-Doors	0.00	0.00	0.00	0.00	84.31	0.00	0.00	0.00	0.00	19.74	0.00	0.00	104.05
62000-2200 R & M-Turnover Draperies/Blinds	274.09	24.96	315.24	0.00	0.00	0.00	279.29	596.77	0.00	0.00	359.83	0.00	1,850.18
62000-2400 R & M-Turnover Flooring	3,393.42	1,314.96	3,783.58	811.62	3,169.93	3,501.66	3,635.00	6,353.00	4,676.00	5,540.41	3,739.00	138,214.41	178,132.99
62000-2700 R & M-Turnover Interior Cing Suppl	388.90	323.72	262.98	512.64	0.00	170.03	0.00	257.20	178.48	350.27	0.00	0.00	2,444.22
62000-2800 R & M-Turnover Interior Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,871.02	0.00	0.00	6,871.02
62000-3000 R & M-Turnover Paint Contractor	810.00	5,019.00	1,820.00	1,682.50	1,475.00	4,129.50	1,405.00	5,630.00	3,868.75	645.50	1,540.75	1,856.04	29,882.04
62000-3100 R & M-Turnover Painting	759.14	489.24	368.86	879.28	183.28	0.00	1,961.99	199.26	1,518.79	21.55	253.05	1,281.31	7,915.75
62999-9999 TOTAL TURNOVER EXPENSES	6,340.55	8,236.88	7,250.66	4,966.04	5,887.52	10,506.19	7,646.28	13,686.23	13,802.02	13,658.49	6,692.63	142,681.76	241,355.25
64000-0000 OTHER CONTRACTS													
64000-1000 Sec-Alarm Monitoring	0.00	0.00	0.00	2,717.20	0.00	0.00	100.00	100.00	100.00	100.00	100.00	443.40	3,660.60
64999-9997 TOTAL OTHER CONTRACTS	0.00	0.00	0.00	2,717.20	0.00	0.00	100.00	100.00	100.00	100.00	100.00	443.40	3,660.60
64999-9998 TOTAL EXPENSES	86,168.26	149,814.70	85,378.88	93,111.87	85,443.13	120,191.55	100,397.61	104,969.19	112,723.89	123,957.30	109,092.67	243,266.70	1,414,515.75
64999-9999 TOTAL NOI	346,888.97	287,354.82	343,951.28	343,118.86	341,659.94	331,164.59	311,322.55	315,874.27	319,568.86	316,654.53	337,858.77	182,764.56	3,778,182.00

Renaissance at City Center Res/Retail (reconc)

Statement (12 months)

Period = Oct 2019-Sep 2020

Book = Cash ; Tree = ren_js

	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Total
40005-0005 INCOME													
40000-0100 RENTAL INCOME													
40000-1000 Market Rent	417,555.00	401,750.00	414,600.00	429,040.00	428,395.00	404,060.00	410,515.00	410,240.00	427,365.00	439,020.00	429,675.00	445,570.00	5,057,785.00
40000-1100 Loss/Gain to Lease	-6,789.39	8,992.19	-6,852.81	-18,826.81	-18,283.58	5,702.92	-984.08	-1,985.20	-21,021.20	-33,012.20	23,600.20	-43,063.16	-159,723.52
41000-1798 BASE SCHEDULED RENT	410,765.61	410,742.19	407,747.19	410,213.19	410,111.42	409,762.92	409,530.92	408,254.80	406,343.80	406,007.80	406,074.80	402,506.84	4,898,061.48
41000-0000 OTHER RENTAL INCOME													
41000-2350 Prior Month Rent Adjustment	243.00	-1,343.00	-204.00	89.00	0.00	0.00	-3,264.40	0.00	0.00	0.00	785.00	862.00	-2,832.40
41000-2400 Vacancy	-3,950.00	-11,483.00	-10,592.00	-9,559.00	-13,583.00	-10,778.00	-19,540.00	-13,511.00	-8,309.00	-4,658.00	-7,096.00	-4,392.67	-117,451.67
41000-2800 Model/Floor Revenue Unit	-3,137.00	-2,860.00	-3,040.00	-3,070.00	-3,055.00	-2,915.00	-2,985.00	-3,035.00	-3,140.00	-3,195.00	-3,110.00	-3,165.00	-36,707.00
41000-2900 Rent Concessions	0.00	-2,341.35	-320.00	-50,220.23	-4,361.50	-1,167.89	-60.00	0.00	-595.00	0.00	210.00	-5,589.50	-65,265.47
41000-2950 Concessions COVID-19	0.00	0.00	0.00	0.00	0.00	0.00	-2,636.00	-10,802.24	-10,300.00	-3,965.00	-1,560.00	-5,999.50	-35,282.74
41000-4200 Employee Unit Loss	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-5,847.00	-70,164.00
41000-4500 Write-Off Delinquent Rent	-428.00	0.00	0.00	0.00	-5,296.73	0.00	0.00	-157.63	0.00	0.00	0.00	0.00	-21,415.64
41000-4600 Lease Cancellations	1,139.95	4,845.00	4,691.00	0.00	0.00	8,127.00	4,975.00	3,012.00	0.00	0.00	5,545.00	2,540.00	34,874.95
41000-4800 Delinquent Rent	456.71	-759.58	428.77	-9,987.58	2,198.10	-12,818.36	-20,741.12	-27,351.00	-8,292.52	-15,359.37	-26,569.86	8,581.88	-110,213.93
41000-5100 Prepaid Rent Collected	208.26	1,418.24	4,405.49	22,430.22	-5,243.85	9,619.25	6,187.50	6,539.66	-7,551.05	322.64	975.87	-6,070.50	14,003.23
41000-5110 Prior Year Adjustments	0.00	0.00	0.00	61,037.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61,037.75
41000-5800 Collections/Agency	0.00	0.00	0.00	0.00	0.00	0.00	2,167.44	0.00	433.16	85.31	533.36	244.25	3,463.52
41000-6000 Collections/Resident	0.00	1,690.71	0.00	0.00	647.16	0.00	0.00	647.16	0.00	0.00	0.00	0.00	1,690.71
41499-9999 TOTAL OTHER RENTAL INCOME	-11,314.08	-16,679.98	-10,477.74	4,873.16	-34,541.82	-35,018.50	-41,743.58	-51,799.37	-43,601.41	-32,636.42	-36,553.63	-40,651.68	-350,145.05
41950-0000 RENTAL INCOME - RETAIL													
41950-0100 Market Rent - Retail	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	22,659.75	271,917.00
41000-1900 Vacancy - Retail	0.00	0.00	0.00	0.00	-114.00	-4,500.00	-1,500.00	-1,500.00	-1,500.00	-1,500.00	-1,500.00	-1,518.04	-13,632.04
41950-0200 Prepaid Rent - Retail	0.00	1,967.30	0.00	9,103.28	0.00	0.14	0.00	11,467.50	0.00	12.33	-11,429.81	-3,523.72	7,597.02
41950-0300 Delinquent Rent - Retail	-7,157.43	-308.96	-17,296.15	-35,141.26	-26,164.71	10,932.41	-15,606.77	13,362.22	-12,823.78	-11,085.11	-3,567.96	-15,105.28	-120,962.78
41950-9999 TOTAL RENTAL INCOME - RETAIL	15,502.32	24,318.09	5,363.60	-3,378.23	-3,618.96	29,092.30	5,552.98	45,989.47	8,335.97	10,086.97	6,161.98	1,512.71	144,919.20
41999-9999 TOTAL RENTAL INCOME	414,953.85	418,380.30	402,633.05	411,708.12	371,950.64	403,836.72	373,340.32	402,444.90	371,078.36	383,458.35	375,683.15	363,367.87	4,692,835.63
42000-0000 OTHER INCOME - RESIDENTIAL													
42100-1000 Carport/Garage Income	1,997.50	1,764.64	1,417.00	1,395.00	1,226.00	1,106.00	1,120.00	598.00	785.00	745.00	590.00	596.00	13,340.14
42400-1100 Pet Fees	1,320.00	1,211.00	765.00	1,070.00	1,015.00	920.00	760.00	755.00	535.00	562.00	514.00	501.00	9,928.00
42400-1200 Pet Rent	0.00	0.00	150.00	0.00	0.00	150.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00
42400-1600 Deposits Applied to Cancelled M/I	250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250.00
42400-1700 Deposits Applied To Airt Repairs	414.00	1,392.00	2,123.00	945.13	1,534.52	634.20	944.88	935.98	1,940.22	650.00	650.00	1,547.36	13,691.29
42500-1000 Oth Inc-Utility -Electric Only	94.77	146.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	241.70

Renaissance at City Center Res/Retail (rencc)
Statement (12 months)
 Period = Oct 2019-Sep 2020
 Book = Cash ; Tree = ren_js

	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Total
42500-1100 Oth Inc-Utility-Gas Only	1,939.15	2,185.03	2,477.47	2,884.03	3,878.79	4,472.51	5,065.52	3,916.35	3,523.36	2,509.17	2,380.77	2,054.46	37,286.61
42500-1300 Oth Inc-Utility Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	135.83	0.00	0.00	0.00	0.00	0.00	135.83
42500-1400 Oth Inc-Utility-Sewer	3,110.39	3,022.05	3,055.42	2,915.70	2,685.05	3,156.59	2,803.08	2,799.24	2,851.88	2,849.52	3,041.89	2,539.45	34,930.26
42500-1500 Oth Inc-Utility-Trash	3,094.47	2,999.41	3,059.58	2,911.95	2,442.07	3,762.30	3,516.75	3,155.82	3,175.22	3,250.88	3,428.95	2,885.03	37,682.43
42500-1700 Oth Inc-Utility-Water	3,050.66	2,825.97	2,998.44	1,711.39	1,982.46	2,223.78	2,828.04	2,628.24	3,426.27	3,225.55	2,814.22	2,081.41	31,796.43
42500-1900 Oth Inc-Utility-Admin	796.45	673.05	563.40	609.81	575.15	659.40	584.50	602.20	608.10	635.60	674.05	577.75	7,559.46
42700-2000 Oth Inc-Credit Check/Application Fee	180.00	225.00	630.00	615.00	225.00	360.00	630.00	495.00	765.00	225.00	315.00	360.00	5,025.00
42700-3100 Oth Inc-Late Fees	597.42	453.78	784.55	529.48	112.61	872.06	213.70	-63.70	0.00	50.00	0.00	0.00	3,550.00
42700-3300 Oth Inc-Legal Fees	844.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	844.50
42700-3500 Oth Inc-Month-To-Month Fees	0.00	7.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	207.00
42700-3900 Oth Inc-Nsf Fees	25.00	50.00	75.00	0.00	50.00	25.00	0.00	0.00	25.00	0.00	0.00	0.00	300.00
42700-4000 Oth Inc-Misc Fee Income	325.00	487.50	362.50	287.83	237.17	723.39	5,543.91	-375.00	627.62	207.13	170.21	-56.50	8,540.76
42700-4200 Oth Inc-Renters Insurance	223.75	301.25	425.00	955.10	498.90	396.00	251.00	324.00	327.41	362.80	382.64	350.00	4,797.85
42700-4400 Oth Inc-Storage	1,964.00	2,577.00	2,183.00	2,447.00	2,858.00	2,644.94	3,250.06	2,858.00	2,146.00	2,403.00	2,775.00	2,086.00	30,192.00
42700-4900 Oth Inc-Pest Reimbursement	0.00	0.00	0.00	0.00	1,550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,550.00
42800-1000 Oth Inc-Interest Income	22.92	23.38	0.00	12.74	14.75	0.00	31.63	5.17	6.61	7.95	9.43	10.74	145.32
43999-9999 TOTAL OTHER INCOME - RESIDENTIAL	20,249.98	20,344.99	21,269.46	19,290.16	20,885.47	22,886.17	27,778.90	18,634.30	20,742.69	17,683.60	17,796.16	15,532.70	242,294.58
46000-0000 OTHER INCOME - RETAIL													
46100-1000 Reimbursement CAM	5,408.00	8,226.15	2,128.75	5,589.72	18,698.97	8,124.33	3,140.92	5,691.40	2,412.15	2,704.54	6,736.14	1,333.62	70,194.69
46999-9999 TOTAL OTHER INCOME - RETAIL	5,408.00	8,226.15	2,128.75	5,589.72	18,698.97	8,124.33	3,140.92	5,691.40	2,412.15	2,704.54	6,736.14	1,333.62	70,194.69
49999-9999 TOTAL INCOME	440,611.83	446,951.44	426,031.26	436,588.00	411,535.08	434,047.22	404,260.14	426,770.60	394,233.20	403,846.49	400,215.45	380,734.19	5,005,324.90
50000-0000 EXPENSES													
50000-0100 PAYROLL AND BENEFITS													
50000-1000 Sal P/M-Community Director	6,099.23	6,671.25	5,259.70	8,444.39	5,717.96	5,283.39	4,754.61	5,002.14	4,411.34	6,939.75	4,660.50	5,016.80	68,261.04
50000-1500 Sal OT-Community Manager	0.00	0.00	0.00	0.00	0.00	0.00	238.01	284.08	220.57	216.95	245.41	242.48	1,447.50
50004-0000 Sal P/M-Bonus-Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	512.10	0.00	0.00	2,000.50	0.00	0.00	2,512.60
51500-0000 Sal Maint-Other	3,091.05	3,093.51	3,624.76	5,557.80	2,942.28	3,010.95	2,927.43	2,916.00	2,874.96	4,319.64	2,825.82	3,399.16	40,583.36
51500-1500 Sal OT-Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	18.16	185.22	162.81	138.65	204.93	144.61	854.38
51600-0000 Sal Maint-Supervisor	4,025.52	3,820.18	3,471.34	5,873.48	3,435.26	3,528.01	3,355.69	3,231.25	3,388.09	4,883.12	3,152.00	3,719.28	45,884.22
53100-0000 Sal P/M-AssnT Resident Mgr	3,743.16	2,557.78	-1,064.29	0.00	0.00	0.00	0.00	0.00	0.00	4,547.57	3,425.78	3,461.38	14,369.38
53200-0000 Sal P/M-Bonus-Office	0.00	0.00	0.00	0.00	0.00	0.00	2,225.00	550.00	2,050.00	2,253.00	650.00	0.00	8,078.00
51600-1500 Sal OT-Maintenance Service Director	0.00	0.00	0.00	0.00	0.00	0.00	16.33	816.41	316.64	104.99	121.69	263.06	1,639.12
53700-0000 Sal P/M-Leasing Agent	0.00	2,785.24	2,779.93	5,838.79	3,096.18	3,185.80	2,590.29	2,627.94	2,618.10	0.00	0.00	0.00	25,522.27
53700-1500 Sal OT-Ass. Comm. Manager	0.00	0.00	0.00	0.00	0.00	0.00	10.14	24.49	45.18	0.00	0.00	0.00	60.81
54020-0000 Sal Admin-Acctg Auditing	288.03	219.88	257.89	487.16	278.55	403.20	459.69	463.75	404.38	457.90	225.88	384.17	4,330.48
54035-0000 Sal Admin-Acctg Construction	0.00	30.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.43

Renaissance at City Center Res/Retail (renoc)

Statement (12 months)

Period = Oct 2019-Sep 2020

Book = Cash ; Tree = ren_js

	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Total
54170-0000 Sal Admin-Marketing-Administrative Asst	0.00	0.00	0.00	175.08	218.08	278.62	181.77	182.60	164.32	255.59	182.50	127.62	1,764.18
54171-0000 Sal-Regional Maintenance	230.51	571.65	537.79	871.52	528.44	1,395.63	384.06	355.74	296.45	905.08	503.96	0.00	6,580.64
55000-1000 Temporary Services-Administrative	1,025.64	747.86	1,111.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,884.61
56000-1900 Sal Burden-Fica	1,296.94	1,277.93	1,316.37	2,027.18	1,196.38	1,245.45	1,308.99	1,232.91	1,258.32	2,016.43	1,198.36	1,269.91	16,645.17
56000-2000 Sal Burden-Futa	5.80	0.00	52.56	147.62	34.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	240.24
56000-2100 Sal Burden-Group Insurance	2,094.73	4,154.35	4,661.79	2,858.96	2,839.72	2,911.85	2,842.48	2,842.16	2,834.05	2,853.70	2,833.52	2,802.07	36,529.38
56000-2700 Sal Burden-Suta	46.42	0.00	477.47	1,212.64	195.55	0.00	0.00	0.00	-48.50	0.00	0.00	0.00	1,883.58
56000-2800 Sal Burden-Workmans Comp	1,732.87	1,727.35	1,808.55	2,504.69	1,773.55	1,772.04	1,882.77	1,791.21	1,837.03	2,518.02	1,638.26	1,561.80	22,548.14
56000-2900 Sal Burden-3Rd Party Processing	321.63	318.66	321.33	429.57	303.87	302.38	347.54	380.53	392.50	533.46	350.29	332.96	4,334.72
56000-3200 Sal Burden-401(K) ER Contribution	289.86	233.28	178.55	231.12	150.71	149.62	159.44	153.41	152.21	211.99	139.13	132.50	2,181.82
56999-9999 TOTAL PAYROLL AND BENEFITS	24,291.37	25,907.36	24,794.85	36,658.00	22,711.79	23,466.94	24,214.50	23,039.84	23,379.45	35,156.34	22,358.03	23,207.80	309,186.27
57000-0000 LEASING AND MARKETING													
57000-1300 Adv-Internet	1,358.00	2,218.24	1,430.95	1,501.95	1,633.95	1,289.89	2,704.23	3,886.92	2,766.65	3,696.65	2,260.23	2,830.00	27,577.66
57000-1400 Adv-Locator Service	618.00	309.00	0.00	309.00	0.00	0.00	0.00	618.00	0.00	0.00	0.00	0.00	1,854.00
57000-1450 Adv-Social Media Mgmt	340.00	525.00	0.00	0.00	0.00	0.00	90.00	90.00	0.00	0.00	0.00	0.00	1,045.00
57000-1600 Adv-Periodicals & Apt Guide	0.00	0.00	0.00	0.00	0.00	0.00	487.61	0.00	0.00	0.00	0.00	0.00	487.61
57000-2300 Promo-Complex General	0.00	0.00	250.00	285.00	285.00	285.00	285.00	285.00	652.50	285.00	285.00	285.00	3,182.50
57000-2900 Promotion-Model Decorating	0.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00	2,500.00
57000-3000 Promotion-Recreation	2,907.97	1,403.09	2,105.88	871.42	1,325.20	3,839.93	1,954.00	290.45	876.25	366.71	364.52	437.46	16,742.88
57000-9999 TOTAL LEASING AND MARKETING	5,223.97	4,455.33	3,786.83	2,967.37	3,244.15	5,414.82	5,520.84	5,170.37	4,295.40	4,348.36	5,409.75	3,552.46	53,389.65
57800-0000 MANAGEMENT FEES													
57800-1000 Fee Exp-Management Fee	10,950.21	11,160.16	10,543.64	10,929.46	10,365.97	10,691.41	10,174.99	9,777.44	9,826.87	10,049.77	9,903.43	9,281.96	123,655.31
57899-9999 TOTAL MANAGEMENT FEES	10,950.21	11,160.16	10,543.64	10,929.46	10,365.97	10,691.41	10,174.99	9,777.44	9,826.87	10,049.77	9,903.43	9,281.96	123,655.31
58000-0000 ADMINISTRATIVE EXPENSES													
58000-1200 Auto-Operating Cost	0.00	0.00	0.00	0.00	41.76	0.00	0.00	0.00	0.00	0.00	0.00	148.48	190.24
58010-1200 Computer-Software License/Support	900.32	794.77	1,385.60	911.52	796.00	793.84	908.44	889.06	608.91	886.07	752.91	1,061.00	10,688.44
58010-1400 Computer-Online Leasing/Resident Portal	0.00	0.00	0.00	375.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	375.00
58040-1200 Fee Exp-Banking Services	11.14	11.73	0.00	146.74	110.96	0.00	159.77	448.43	281.04	132.10	204.65	115.56	1,622.12
58040-2100 Fee Exp-Credit Check	276.94	165.52	316.46	347.60	0.00	0.00	615.40	480.78	0.00	1,003.08	229.80	361.98	3,797.56
58040-2400 Fee Exp-General	488.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	312.57	83.22	884.42
58040-2600 Fee Exp-Genl Legal & Evictions	835.00	2.36	575.00	272.84	2,820.75	575.00	1,020.00	718.75	0.00	0.00	856.75	4,154.16	11,830.61
58040-3000 Fee Exp-Licenses And Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,641.86	20.00	0.00	0.00	2,661.86
58050-1300 Misc-General	0.00	0.00	0.00	0.00	1,570.16	26.44	0.00	0.00	136.00	0.00	87.32	0.00	1,819.92
58060-1500 Off-Duplicating Expenses	118.11	0.00	0.00	349.40	311.74	454.24	0.00	153.36	285.35	0.00	169.99	0.00	1,842.19
58060-2000 Off-Supplies- Refreshments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.90	0.00	0.00	0.00	28.90
58060-2100 Off-Supplies-General	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.20	143.51	582.71
58060-2400 Off-Postage And Related	62.79	38.00	152.11	39.24	92.88	28.34	60.88	49.66	148.64	43.79	48.06	66.01	830.40

Renaissance at City Center Res/Retail (rencc)

Statement (12 months)

Period = Oct 2019-Sep 2020

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	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Total
58070-1000 Personnel-Employee Classes	0.00	1.79	12.45	19.49	138.55	75.65	0.00	0.00	72.00	72.00	36.00	36.00	463.93
58070-1100 Personnel-General Expenses	0.00	57.49	93.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.54
58070-2200 Personnel-Travel/Ent-Meals-General	0.00	0.00	41.64	40.83	0.00	0.00	0.00	101.89	0.00	0.00	0.00	0.00	184.36
58070-2400 Personnel-Travel/Ent-Other-General	227.28	0.00	61.48	0.00	0.00	0.00	0.00	46.00	0.00	0.00	0.00	0.00	334.76
58070-2800 Personnel-Recruitment-General	0.00	0.00	368.57	0.00	593.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	961.79
58120-1000 Oth Exp-Renters Insurance	64.63	49.20	61.98	115.60	221.26	150.03	142.78	106.94	0.00	154.90	149.68	0.00	1,217.00
60000-3800 Telephone & Communications	1,608.95	1,378.85	1,343.89	1,815.38	1,501.77	1,905.06	1,376.65	960.43	1,827.59	1,460.82	1,784.82	2,046.78	19,010.99
58999-9999 TOTAL ADMINISTRATIVE EXPENSES	4,593.79	2,499.71	4,812.23	4,433.64	8,199.05	4,008.60	4,283.92	3,955.30	6,039.29	3,772.76	4,671.75	8,216.70	59,477.74
60000-0000 UTILITIES													
60000-1000 Util-Cable	387.16	387.16	387.16	222.33	382.96	303.00	461.74	-15.03	299.72	287.97	287.97	564.19	3,956.33
60000-1100 Util-Electricity-Common Area	7,532.23	5,618.46	4,808.17	6,170.58	5,499.42	10,151.07	4,730.44	-3,046.38	5,013.33	6,442.06	7,138.90	8,449.44	68,507.72
60000-1400 Util-Electricity-Vacant Units	382.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	846.77	1,229.56
60000-1500 Util-Billing Service Fee	753.60	-38.00	725.00	2,704.50	1,399.48	549.62	0.75	651.25	642.73	633.70	675.85	637.40	9,335.88
60000-1700 Util-Garbage And Trash Collection	3,383.90	2,965.77	3,410.92	3,046.12	3,745.53	3,530.64	3,350.25	2,667.00	4,033.50	3,350.25	3,350.25	3,350.25	40,184.38
60000-1900 Util-Gas-Common Area	2,242.60	3,125.55	3,917.39	2,309.49	5,067.75	3,352.00	4,103.44	2,649.48	2,335.26	2,153.88	2,025.09	2,107.87	35,389.80
60000-2200 Util-Gas-Vacant Units	36.42	8.64	2.87	24.78	18.35	2.90	19.98	8.56	23.29	15.08	10.39	19.79	191.05
60000-2300 Util-Internet/DSL Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50.00	0.00	50.00
60000-2500 Util-Models-All	62.30	5.81	64.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	244.42	377.35
60000-3600 Util-Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141.98
60000-3900 Util-Pagers & Beepers	0.00	0.00	0.00	0.00	0.00	0.45	0.90	0.00	0.00	0.00	0.00	0.00	1.35
60000-4000 Util-Water	2,863.93	2,488.80	2,192.00	2,442.52	2,439.36	2,182.69	2,752.63	2,580.82	3,341.60	3,103.14	2,928.54	2,651.76	31,967.79
60000-9999 TOTAL UTILITIES	17,644.93	14,562.19	15,508.33	16,920.32	18,552.85	20,072.37	15,420.13	5,495.70	15,689.43	15,986.08	16,466.99	19,013.87	191,333.19
61000-0000 REPAIR & MAINTENANCE													
61000-1000 R & M-Air Conditioning	-124.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-124.98
61000-1300 R & M-Appliances	2,242.93	948.61	2,244.05	780.41	1,005.49	1,603.20	919.70	3,476.19	0.00	4,094.97	2,310.57	2,308.42	21,937.54
61000-1500 R & M-Backflow	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	375.00	0.00	375.00
61000-1600 R & M-Boiler Repair	110.33	110.34	0.00	0.00	0.00	0.00	0.00	0.00	331.00	0.00	0.00	0.00	551.67
61000-1700 R & M-Bldg Exp/Bldg Movement	0.00	20,361.23	0.00	0.00	0.00	2,845.62	0.00	0.00	0.00	0.00	0.00	8,600.00	31,806.85
61000-3100 R & M-Doors	107.52	0.00	0.00	401.40	0.00	0.00	256.70	4,709.32	-198.24	1,176.27	2,316.97	66.62	8,836.56
61000-3300 R & M-Electrical	4,366.61	1,132.78	1,501.48	232.16	874.50	423.51	453.85	766.61	63.61	865.58	1,202.88	112.16	11,995.73
61000-3500 R & M-Elevator	0.00	2,402.98	1,516.49	841.49	1,602.90	875.15	1,530.15	1,178.15	572.15	875.15	1,750.30	875.15	14,020.06
61000-3800 R & M-Equipment	0.00	0.00	0.00	172.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	172.49
61000-4000 R & M-Exterminating	210.00	245.00	565.00	1,760.00	375.00	265.00	210.00	210.00	235.00	210.00	210.00	710.00	5,205.00
61000-4700 R & M-General	6,331.58	1,420.67	9,698.68	1,154.82	1,050.28	3,366.17	2,693.23	1,596.14	2,387.83	4,794.01	7,201.55	9,728.95	51,423.91
61000-5500 R & M-HVAC	776.02	1,365.00	293.37	0.00	4,365.00	46.23	1,180.00	949.18	1,673.32	450.97	108.24	12,188.25	12,455.58
61000-5900 R & M-Janitorial Service	6,146.02	6,487.07	6,487.07	6,487.07	6,487.07	6,487.07	0.00	7,212.00	12,109.19	6,487.07	6,487.07	6,487.07	70,876.71
61000-6000 R & M-Janitorial Cleaning Tenant Suites	0.00	0.00	585.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	585.74
61000-6100 R & M-Janitorial Supplies	97.44	0.00	115.92	0.00	0.00	0.00	0.00	0.00	278.41	211.19	139.51	398.71	1,241.18

Renaissance at City Center Res/Retail (renew)

Statement (12 months)

Period = Oct 2019-Sep 2020

Book = Cash ; Tree = ren_js

	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Total
63000-1000 Landscape Contract	1,000.00	1,000.00	11,150.00	2,000.00	2,000.00	-1,000.00	1,000.00	-1,000.00	1,000.00	1,000.00	1,400.00	1,200.00	20,750.00
61000-6600 R & M-Locks & Keys	0.00	0.00	18.64	708.05	87.57	0.00	361.52	396.00	245.76	260.34	1,025.56	0.00	3,173.44
61000-6900 R & M-Non-Turnover	14,732.28	2,048.99	999.87	477.20	4,760.93	3,285.68	1,477.30	787.15	4,720.40	2,999.52	985.79	3,751.15	41,026.26
61000-7300 R & M-Painting Materials & Suppl	0.00	0.00	0.00	0.00	0.00	0.00	-20.74	0.00	0.00	0.00	-53.41	260.54	186.39
61000-7600 R & M-Plumbing	4,437.24	0.00	657.36	612.56	598.70	3,289.71	6,910.27	527.11	871.79	805.79	1,094.99	2,340.28	22,145.80
61000-7800 R & M-Plumbing Supplies/Parts	0.00	162.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	162.62
61000-8000 R & M-Pool Contract	615.00	615.00	615.00	615.00	615.00	745.00	615.00	205.15	360.00	651.80	802.20	750.00	7,204.15
61000-8100 R & M-Pool,Fnt,Suppl & Rprs	591.46	0.00	0.00	0.00	0.00	0.00	4,492.16	2,250.00	0.00	73.11	780.83	0.00	8,187.56
61000-8600 R & M-Screens/Windows	0.00	0.00	0.00	548.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	548.16
61000-9300 R & M-Surface Repairs	0.00	0.00	0.00	0.00	0.00	3,090.00	0.00	0.00	0.00	0.00	0.00	0.00	3,090.00
61000-9800 R & M-Uniforms	0.00	0.00	0.00	0.00	284.73	1.89	0.00	0.00	0.00	0.00	0.00	0.00	286.62
64000-1300 Sec-Safety/Fire Prevention	422.35	285.00	40.99	300.00	41.30	211.50	300.00	1,107.89	0.00	1,004.76	2,268.44	0.00	5,982.63
64000-1400 Sec-Security Patrol	5,432.73	5,130.00	4,206.00	5,130.00	5,133.80	6,979.30	0.00	5,130.00	5,130.00	5,282.00	-923.40	9,640.60	56,271.03
61999-9999 TOTAL REPAIR & MAINTENANCE	47,494.54	43,715.29	40,695.66	22,226.81	29,285.27	32,425.43	22,379.14	29,500.89	17,671.03	36,864.65	29,553.09	48,477.90	400,283.70
62000-0000 TURNOVER EXPENSES													
62000-1000 R & M-Turnover Cleaning Contractor	210.00	800.00	1,330.00	800.00	1,190.00	565.00	650.00	1,899.00	1,116.00	227.00	1,019.00	2,603.00	12,409.00
62000-1100 R & M-Turnover-Appliance Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,569.26	0.00	0.00	0.00	1,569.26
62000-2100 R & M-Turnover-Doors	19.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19.74
62000-2200 R & M-Turnover Draperies/Blinds	0.00	359.83	0.00	0.00	0.00	0.00	266.45	0.00	611.32	0.00	0.00	355.26	1,592.86
62000-2400 R & M-Turnover Flooring	5,540.41	3,739.00	138,214.41	184.48	5,784.00	6,112.00	3,195.00	9,217.00	7,229.66	1,003.28	5,000.00	5,773.14	190,992.38
62000-2700 R & M-Turnover Interior Cng Suppl	350.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.27
62000-2800 R & M-Turnover Interior Repairs	6,871.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	0.00	0.00	0.00	7,371.02
62000-3000 R & M-Turnover Paint Contractor	645.50	1,540.75	1,856.04	69,556.50	1,905.25	580.00	0.00	1,663.75	-3,121.90	410.00	7,959.40	2,189.00	85,184.29
62000-3100 R & M-Turnover Painting	21.55	253.05	1,281.31	404.23	1,630.53	660.52	524.87	-124.95	664.15	-25.00	556.56	1,037.26	6,884.08
62999-9999 TOTAL TURNOVER EXPENSES	13,658.49	6,692.63	142,681.76	70,945.21	10,589.78	7,917.52	4,636.32	12,654.80	8,568.49	1,615.28	14,534.96	11,957.66	306,372.90
64000-0000 OTHER CONTRACTS													
64000-1000 Sec-Alarm Monitoring	100.00	100.00	443.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	643.40
64999-9997 TOTAL OTHER CONTRACTS	100.00	100.00	443.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	643.40
64999-9998 TOTAL EXPENSES	123,957.30	109,092.67	243,266.70	165,074.81	102,868.86	103,997.09	86,629.84	89,594.34	85,460.96	107,793.24	102,898.00	123,708.35	1,444,342.16
64999-9999 TOTAL NOI	316,654.53	337,858.77	182,764.56	271,513.19	308,666.22	330,050.13	317,630.30	337,176.26	308,772.24	296,053.25	297,317.45	256,525.84	3,560,982.74

Addendum D

Comparable Data



Addenda

Improved Sales



Addenda

Multifamily Sale Comparable 1 The Pearl on Wilshire

Location Information

Location	687 South Hobart Boulevard
	Los Angeles, CA
Market	CA - Los Angeles - Central
Submarket	LA Central
County	Los Angeles
APN	5093-006-035



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	310,063 SF
Rentable Area	215,556 SF
Land Acres	2.22 Acres
Land SF	96,767 SF
Number of Units	346
Density (Units per Acre)	15043478.3
Average Unit Size	623 SF
No. of Stories	7
Year Built (Renovated)	2018
Construction	Wood frame
Condition	Good
Parking	Garage Structure
Investment Class	Class A

Sale Data

Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	December 17, 2019
Marketing Time	N/A
Grantor	Hankey Investment Company
Grantee	Wilshire Hobart 377 Project, LLC
Document No.	N/A
Price	\$170,870,000
Financing Terms	
Price Adjustments For:	
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$170,870,000
Price Per Unit	\$493,844

Financial Data

Occupancy	98.0%
Property Operations Status	Stabilized Operations

Financial Metrics

NOI	N/A	Verification	Confirmed-Other
Derived Cap Rate	N/A		
Reported Cap Rate	4.20%		

Comments

The Pearl on Wilshire is a 2017-built, 346-unit, 7-story apartment project consisting of studio, one-bedroom, and two-bedroom units. Project amenities include a club room, zen deck outdoor entertainment area, conference/meeting area, business center, lounge area with firepits and bocce ball court, BBQ facilities, outdoor pool and spa, dog grooming area, and fitness center. Pets are allowed with no size restrictions. Unit amenities include stainless steel appliances, gas range, quartz countertops, custom backsplash, designer bathrooms with quartz counters, oversized soaking tubs, smart thermostats, and in-unit washer/dryer. Select units also include high ceilings, panoramic views, and oversized balconies. It is currently 98% occupied at the time of sale. The current owner is Hankey Investment Company who purchased the property in December of 2019 for \$170,870,000, or \$493,844 per unit. This purchase only represented a 40% partial interest as Hankey Investment Company already owned the other 60% (this was a joint development with City View who sold their interest to Hankey). The 40% interest which transferred was technically acquired by two sister companies to Hankey. The implied 100% price was considered to be market-based as the property was officially marketed by IPA and two other brokerage houses also provided BOVs. The buyer reported that they matched actual offers from three other competing firms as the full interest was exposed to the market.



Addenda

Multifamily Sale Comparable 2

Areum Apartments

General Information

Location	1110 South 5th Avenue Monrovia, CA
Market	CA - Los Angeles - East (San Gabriel)
Submarket	San Gabriel Valley
County	Los Angeles
APN	8507-008-089, 8507-008-090, 8507-008-091



Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	181,550 SF
Rentable Area	132,555 SF
Land Acres	2.86 Acres
Land SF	124,660 SF
Number of Units	154
Density (Units per Acre)	53.8
Average Unit Size	861 SF
No. of Stories	3
Year Built (Renovated)	2017
Construction	Wood frame
Condition	Good
Parking	Garage
Investment Class	Class A

Sale Data

Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	November 26, 2019
Marketing Time	N/A
Grantor	Lincoln Monrovia, LLC
Grantee	Monrovia Apartment EPF I, LLC
Document No.	N/A
Price	\$75,000,000
Financing Terms	
Price Adjustments For:	
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$75,000,000
Price Per Unit	\$487,013

Financial Data

Source	Public Records
Occupancy	93.0%
Property Operations Status	Stabilized Operations

Financial Metrics

NOI	N/A	Verification	Confirmed-Other
Derived Cap Rate	N/A		
Reported Cap Rate	N/A		

Comments

Areum Apartments is identified as a 2017-built, 154-unit, three-story apartment in the City of Monrovia and includes studios, one-bedroom, and two-bedroom units. Project amenities include controlled access, electric vehicle charging stations, social lounge, swimming pool, spa, fitness center, fireside lounge, BBQ area with outdoor television, greenbelt, garage parking, and on-site retail. Unit amenities include stainless steel appliances, quartz countertops, wood-look plank flooring, in-unit washer/dryer, walk-in closet, faux wood blinds, and a private patio or balcony. The property sold in November of 2019 for \$75,000,000, or 487,013 per unit. It was 93% occupied at the time of sale and the overall pro-forma capitalization rate equates to 3.90%.



Addenda

Multifamily Sale Comparable 3

Next on Sixth

General Information

Location	620 South Virgil Avenue Los Angeles, CA
Market	CA - Los Angeles - Central
Submarket	LA Central
County	Los Angeles
APN	5077-007-029



Physical Property Summary

Property Type	Multifamily (Mid/High Rise)
Gross Building Area	362,580 SF
Rentable Area	263,078 SF
Land Acres	1.83 Acres
Land SF	79,923 SF
Number of Units	398
Density (Units per Acre)	216.9
Average Unit Size	661 SF
No. of Stories	6
Year Built (Renovated)	2017
Construction	Wood frame
Condition	Good
Parking	Subterranean
Investment Class	Class A

Sale Data

Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	August 16, 2019
Marketing Time	N/A
Grantor	6th Virgil LLC
Grantee	EQR-Next on Sixth LP
Document No.	825040
Price	\$189,000,000
Financing Terms	
Price Adjustments For:	
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$189,000,000
Price Per Unit	\$474,874

Financial Data

Source	Public Records
Occupancy	0.0%
Property Operations Status	Not Applicable

Financial Information

NOI	\$8,127,000	Verification	Confirmed-Other
Derived Cap Rate	4.30%		
Reported Cap Rate	4.30%		

Comments

Next on 6th is a 2017-built, 398-unit, mixed-use project in the Westlake neighborhood in the City of Los Angeles. Regional access is provided by the 101, 110, and 10 Freeway and the Metro Red and Purple Line. The unit mix is comprised of studios, one-bedroom, and two-bedroom units. The property includes approximately 36,000 square feet of ground floor retail including a Target, CVS Pharmacy, and Starbucks. Units feature stainless steel appliances, quartz countertops, electronic key entry, wide-plank flooring, and a private patio or balcony. Project amenities include controlled access, EV charging stations, clubrooms, arcade and game room, golf simulator room, grilling area, pet wash station, dry cleaning service, rooftop sundecks, business center, spa, swimming room, massage room, fitness center, conference room, rooftop dog run, subterranean parking, and ground-floor retail. The property sold as in August of 2019 for \$18,900,000, or \$474,874 per unit. This was an off-market transaction. The capitalization rate reported was 4.30% based on income in place.



Addenda

Multifamily Sale Comparable 4 Avalon Cerritos

General Information

Location	12651 Artesia Boulevard Cerritos, CA
Market	CA - Los Angeles - Mid-Cities
Submarket	LA Mid-Cities
County	Los Angeles
APN	7030-001-049



Physical Property Summary

Property Type	Multifamily (Garden/Low-Rise)
Gross Building Area	108,000 SF
Rentable Area	108,000 SF
Land Acres	2.39 Acres
Land SF	104,100 SF
Number of Units	132
Density (Units per Acre)	55.2
Average Unit Size	818 SF
No. of Stories	4
Year Built (Renovated)	2017
Construction	Wood frame
Condition	Good
Parking	Subterranean
Investment Class	Class A

Sale Data

Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	May 1, 2019
Marketing Time	N/A
Grantor	Sage Apartments LLC
Grantee	AVB Cerritos LLC
Document No.	395593
Price	\$60,500,000
Financing Terms	
Price Adjustments For:	
Conditions of Sale	\$0
Other	\$0
Adjusted Price	\$60,500,000
Price Per Unit	\$458,333

Financial Data

Source	Broker
Occupancy	90.0%
Property Operations Status	Stabilized Operations

Financial Summary

NOI	\$2,571,250	Verification	Confirmed-Other
Derived Cap Rate	4.25%		
Reported Cap Rate	4.25%		

Comments

Avalon Cerritos is a 2017-built, 132-unit apartment at 12651 Artesia Boulevard. The property was reportedly in good condition and includes studio, one-bedroom, and two-bedroom units. Property amenities include gated access, a fitness center, BBQ grill, swimming pool, business center, lounge area with billiards and kitchen, and covered parking. Unit amenities include stainless steel appliances, hard-surface flooring, walk-in closets, in-unit washer/dryer, quartz countertops, and a private patio/balcony. The property sold in May of 2019 for \$60,500,000 or \$458,333 per unit. It was 90% occupied at the time of sale and the reported overall capitalization rate equates to 4.25% based on income in-place.



Addenda

Lease Comparables



Addenda

Multifamily Rental Survey Comparable 1 Alta South Bay Apartments

Location Information	
Location	22433 South Vermont Avenue Torrance, CA
Market	CA - Los Angeles - South Bay
Submarket	LA South Bay
County	Los Angeles
APN	7344-023-001, 7344-023-003, 7344-



General Property Summary	
Property Type	Multifamily (Mid/High Rise)
Gross Building Area	240,000 SF
Rentable Area	227,691 SF
Number of Units	257
Average Unit Size	886 SF
No. of Stories	6
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2015
Construction	Masonry
Condition	Average
Parking	Covered; Surface
Investment Class	Class A

Lease Availability Details	
Survey Date	Nov-2020
Overall Occupancy at Survey	95.0%

Unit Characteristics						
Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
142	136	1BR/1BA - 1 BR	725	\$2,252	\$3.11	
109	105	2BR/2BA - 2 BR	1,069	\$2,807	\$2.63	
6	6	3BR/2BA - 3 BR	1,370	\$3,362	\$2.45	
257			886	\$2,513	\$2.84	

Comments:
This comparable is identified as Alta South Bay Apartments, a 2015-built, 257-unit, six-story apartment in the City of Torrance and includes one-bedroom, two-bedroom, and three-bedroom units. Project amenities include gated access, club room, bar area for events, fitness center, swimming pool, cyber cafe/conference room, gas grills, firepits, movie screening room, game room, half-court basketball, and covered/surface parking. Unit amenities include stainless steel appliances, quartz countertops, vinyl plank flooring, in-unit washer/dryer, faux wood blinds, ceiling fans, and a private patio/balcony. It is currently 95% occupied and lease terms are typically 7 to 15 months. Management is not offering any concessions.



Addenda

Multifamily Rental Survey Comparable 2 Evolve South Bay Apartments

Location Information	
Location	285 E Del Amo Boulevard Carson, CA
Market	CA - Los Angeles - South Bay
Submarket	LA South Bay
County	Los Angeles
APN	7336-010-013



Physical Property Summary	
Property Type	Multifamily (Mid/High Rise)
Gross Building Area	292,665 SF
Rentable Area	290,000 SF
Number of Units	300
Average Unit Size	967 SF
No. of Stories	4
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2021
Construction	Wood frame
Condition	Excellent
Parking	Covered; Surface
Investment Class	Class A

Lease Availability Details	
Survey Date	Nov-2020
Overall Occupancy at Survey	7.30%

Proposed Unit Mix					
	Unit Description	Unit Size	Base Rent	\$/SF	Comments
	1BR/1BA - 1BR	843	\$2,557	\$3.03	
	1BR/1BA - 1BR Loft	1,135	\$3,130	\$2.76	
	2BR/2BA - 2BR	1,061	\$2,930	\$2.76	
	2BR/2BA - 2BR Loft	1,224	\$3,830	\$3.13	
	3BR/2BA - 3BR	1,248	\$3,545	\$2.84	
	3BR/3BA - 3BR Loft	1,239	\$3,880	\$3.13	

Comments

This comparable is identified as Evolve South Bay Apartments, an under-construction, 300-unit, four-story apartment project. The unit mix includes one-bedroom, two-bedroom, and three-bedroom units. Project amenities include controlled access, a swimming pool, spa, cabanas, fitness studio, yoga room, running track, clubhouse with a kitchen, co-working space with private offices, outdoor media lounge, social lounge with firepits, playground, BBQ grills, bocce ball court, dog park, and covered/surface parking. Unit amenities include stainless steel appliances, quartz countertops, wood-style flooring, in-unit washer/dryer, ceiling fans, and a private patio/balcony. The property is currently 7.3% occupied and lease terms are typically 12 to 18 months. Management is offering one month of free rent on a 13-month lease.



Addenda

Multifamily Rental Survey Comparable 3 Union South Bay Apartments

Location Information	
Location	615 East Carson Street Carson, CA
Market	CA - Los Angeles - South Bay
Submarket	LA South Bay
County	Los Angeles
APN	7337-011-049



Physical Property Summary	
Property Type	Multifamily (Mid/High Rise)
Gross Building Area	330,000 SF
Rentable Area	327,726 SF
Number of Units	357
Average Unit Size	918 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2020
Construction	Wood frame
Condition	Excellent
Parking	Garage
Investment Class	Class A

Lease Availability Details	
Survey Date	Nov-2020
Overall Occupancy at Survey	13.00%

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
112	112	0BR/1BA - Studio	539	\$2,040	\$3.78	
133	133	1BR/1BA - 1BR	745	\$2,505	\$3.36	
112	112	2BR/2BA - 2 BR	1,181	\$3,228	\$2.73	
357			817	\$2,586	\$3.16	

Comments

This comparable is identified as Union South Bay, a 2020-built, 357-unit, five-story apartment project. The unit mix includes studios, one-bedroom, and two-bedroom units. Project amenities include on-site retail, a clubhouse lounge with big screens and billiards, entertainment kitchen, conference room, indoor/outdoor bar, fitness center, rooftop deck with BBQ grills, yoga lawn, dog wash station, swimming pool, spa, and private parking garage. Unit amenities include high ceilings, wood-style plank flooring, quartz countertops, stainless steel appliances, in-unit washer/dryer, walk-in closets, and private patio or balcony. It is currently 13% occupied and lease terms are typically 12 to 15 months. Management is offering up to four weeks of free rent on select units.



Addenda

Multifamily Rental Survey Comparable 4 Seacrest Homes Apartments

Location Information	
Location	1311 West Sepulveda Boulevard Torrance, CA
Market	CA - Los Angeles - Central
Submarket	LA Central
County	Los Angeles
APN	7347-018-094, 7347-018-097



Physical Property Summary	
Property Type	Multifamily (Mid/High Rise)
Gross Building Area	380,000 SF
Rentable Area	375,584 SF
Number of Units	352
Average Unit Size	1,067 SF
No. of Stories	6
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	2018
Construction	Steel
Condition	Average
Parking	Garage
Investment Class	Class A

Lease Availability Details	
Survey Date	Nov-2020
Overall Occupancy at Survey	85.00%

Units	Occ Units	Unit Description	Unit Size	Base Rent	\$/SF	Comments
326	326	2BR/2BA - 2 BR	1,038	\$2,725	\$2.63	
26	26	3BR/2BA - 3 BR	1,423	\$3,550	\$2.49	
352			1,066	\$2,786	\$2.61	

Comments
This comparable is identified as Seacrest Homes Apartments, a 2018 built, 352-unit, six story apartment project in the City of Torrance and includes two-bedroom and three-bedroom units. Project amenities include a rooftop deck with BBQ grills, swimming pool, spa, cabanas, outdoor seating, indoor/outdoor dining community room, fitness center, yoga studio, basketball court, coffee lounge, conference room, private offices, electric vehicle charging stations, and controlled access parking. Unit amenities include high ceilings, stainless steel appliances, walk-in closets, quartz countertops, hardwood-style flooring, in-unit washer/dryer, tech desk, and private patio or balcony. It is currently 85% occupied and lease terms are typically 6 to 24 months. Management is not offering any concessions.



Addendum E

Appraiser Qualifications and Licenses



ROBERT HOLMAN

Senior Vice President

CA Appraiser License #AG003298



Newmark Knight Frank
4675 MacArthur Court
Suite 1600
Newport Beach, CA 92660
bob.holman@ngkf.com
T 949.608.2045

Years of Experience

33 Years

Areas of Specialization

- ♦ Valuation & Advisory

Professional Background

Robert Holman is a senior vice president in the Newport Beach, California, office of Newmark Knight Frank Valuation & Advisory Services. A residential subdivision specialist with over 30 years of real estate appraisal and consulting experience in Southern California, Mr. Holman provides valuation expertise for the development of master planned communities, residential subdivisions, multifamily projects and raw acreage. His primary geographical focus includes Los Angeles, Orange and San Diego counties and the Inland Empire. In 2018, Mr. Holman established the subdivision practice at NKF V&A.

Mr. Holman joined NKF after more than 25 years at CBRE, where he served as a vice president in the Newport Beach office. While serving in that capacity, he established subdivision valuation as a practice area and provided valuation services for properties ranging from custom homes to residential subdivisions, condominium buildings and master planned communities.

Prior to CBRE, Mr. Holman was an appraiser at Security Pacific Bank from 1985 until its merger with Bank of America in 1992. He began his career there, serving as a single-family appraiser until 1989, when he began commercial/industrial appraising with an emphasis on residential subdivisions.

Professional Affiliations

- ♦ Certified general real estate appraiser, state of California
- ♦ Affiliate member, Appraisal Institute

Partial List of Notable Transactions

- ♦ Baker Ranch, Master Planned Community, Lake Forest, CA
- ♦ Sendero at The Ranch, Master Planned Community, Orange County, CA
- ♦ Heritage Fields, Master Planned Community, Irvine, CA
- ♦ Central Park West, Mixed Use Development, Irvine, CA
- ♦ Alberhill Ranch, Master Planned Community, Lake Elsinore, CA
- ♦ Summerly, Master Planned Community, Lake Elsinore, CA

Partial Client List

- ♦ City National Bank
- ♦ Comerica Bank
- ♦ HomeStreet Bank
- ♦ Union Bank

- U.S. Bank/Housing Capital

Education

Mr. Holman earned his Bachelor of science degree in finance, insurance and real estate from California Polytechnic University.



Business, Consumer Services & Housing Agency
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REAL ESTATE APPRAISER LICENSE

Robert J. Holman

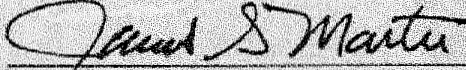
has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 003298

Effective Date: July 10, 2020
Date Expires: July 9, 2022



Jim Martin, Bureau Chief, BREA

3051336



BERICK TREIDLER

Senior Managing Director – Market Leader



Newmark Knight Frank
700 S Flower Street
Suite 2500
Los Angeles, CA 90017
berick.treidler@ngkf.com
T 213.596.2236

Years of Experience

30 Years

Areas of Specialization

- Valuation & Advisory

Berick Treidler joined Newmark Knight Frank's Valuation & Advisory in 2017 as the senior managing director and market leader for Southern California and Hawaii. Based in the Downtown Los Angeles office, Mr. Treidler is responsible for oversight of valuation & advisory services operations. His primary goal is to provide clients with best-in-class appraisal and consulting reports that utilize the strengths of the existing professional staff. Strategic growth will occur through a process of attracting top professionals and empowering them to identify and develop unique service lines within NKF's valuation & advisory practice.

Mr. Treidler's position with Newmark Knight Frank follows a 30-year career at CBRE, where he last served as global director of strategic advisory services. In this role, Mr. Treidler led the development of the global technology platform and data strategy for CBRE Valuation & Advisory Services (VAS). He previously served for 10 years as a managing director with CBRE VAS, responsible for business development as well as staff recruitment, training and management. Mr. Treidler spent his first 16 years with CBRE VAS completing extensive real estate appraisals and consulting studies as a senior real estate Analyst. He completed assignments in the Southern California market involving all property types, with a focus on land development and major properties from 1996 to 2003.

In 2015, Mr. Treidler received CBRE's Manager Innovation Award, which recognizes leaders within the company who introduced new business practices, models and software applications that positively impacted CBRE and its clients. Winners also serve as examples to their industry peers on how they can achieve and redefine new heights of success.

A frequent speaker at industry events, Mr. Treidler most recently was a panelist at the 2017 ARGUS Connect conference held in Scottsdale, Arizona, and at the 2016 conference in Miami, Florida. He was also a panelist at EDR's 2017 Prism Conference held in Charlotte, North Carolina. In 2015, Mr. Treidler was a presenter at the Risk Management Association's Chief Appraiser Roundtable.

Mr. Treidler is a certified general real estate appraiser in the state of California. He holds a Bachelor of Arts degree in economics from Pomona College.



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

James B. Treidler


has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 008775

Effective Date: July 15, 2019
Date Expires: July 14, 2021



Jim Martin, Bureau Chief, BREA

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APPENDIX D

THE PROPERTY CONDITION REPORT

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PROPERTY CONDITION REPORT

Renaissance at City Center

21800 South Avalon Boulevard
Carson, California 90745

November 5, 2020
Partner Project Number: 20-297140.2

Prepared for:

Standard Companies

Los Angeles, California 90067



November 11, 2020

Mr. Geoffrey Moen
Standard Companies
1901 Avenue of the Stars, Suite 395
Los Angeles, California 90067

Subject: Property Condition Report
Renaissance at City Center
21800 South Avalon Boulevard
Carson, California 90745
Partner Project No. 20-297140.2

Dear Mr. Moen:

Partner Engineering and Science, Inc. is pleased to provide the results of the assessment performed on the above-referenced property. At a minimum, this assessment was performed in conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process and as specified in the engagement agreement that initiated this work.

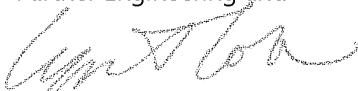
The purpose of this assessment is to describe the primary systems and components of the subject property, to identify conspicuous defects or material deferred maintenance, and to present an opinion of costs to remedy to observed conditions. In addition, this report identifies systems or components that are anticipated to reach the end of their expected useful life during the specified evaluation term and includes an opinion of cost for future capital replacements.

This assessment was performed utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. The independent conclusions represent Partner's best professional judgment based upon existing conditions and the information and data available to us during the course of this assignment.

We appreciate the opportunity to provide these assessment services. If you have any questions concerning this report, or if we can assist you in any other matter, please contact Rob Vaughn at 949-481-9818 or rvaughn@partneresi.com.

Sincerely,

Partner Engineering and Science, Inc.



Lynn Lohr, AIA
Project Manager



Rob Vaughn
Principal/National Client Manager

EXECUTIVE SUMMARY AND PROPERTY DESCRIPTION

Executive Summary

Partner Engineering and Science, Inc. (Partner) has performed a property condition assessment (PCA) of the parcel and improvements defined in the following table (the "subject property"). The assessment was performed in accordance with ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process". The purpose of this Property Condition Assessment was to observe and document readily-visible materials and building system defects that might significantly affect the value of the subject property, and determine if conditions exist which may have a significant impact on the continued operation of the facility during the evaluation period.

Property Data	
Name	Renaissance at City Center
Address	21800 South Avalon Boulevard
City, State and Zip Code	Carson, California 90745
Property use	Multi-family residential with associated retail
Land acreage (acres)	2.74 acres per the architectural drawings
Number of buildings	One
Number of floors	Three residential floors, one retail and parking level and one subterranean parking level
Approximate Percentage of Parcel Occupied by Improvements	23% per the architectural drawings
Year built	2013
Gross building area (sf)	154,685 SF residential, 13,664 SF retail/restaurant, 167,726 SF parking, and 5,885 SF storage
Net rentable area (sf)	Information not provided
Number of residential units	150 per the architectural drawings
Number of tenant spaces	Four restaurant and retail spaces per the architectural drawings
Foundation / Substructure	Concrete slab with perimeter and interior footings under load bearing structures, concrete foundation walls at subterranean parking level
Superstructure	Concrete floors, walls and columns at street level and subterranean level, with conventional wood-framing above
Façade	Painted stucco with pre-cast concrete trim, painted concrete and concrete masonry units (CMU)
Roof type	Low-slope, built-up roofing with granular-surfaced modified bitumen cap sheet with accent areas of pitched roof with asphalt shingles
Parking area	Under-building parking garage
Parking space count	462 spaces per architectural drawings
ADA-designated parking count	11 ADA-designated, of which four are van-designated
HVAC system	Split system units
Water supply piping	Copper and PVC
Electrical branch wiring	Copper

Property Data	
Number of elevators	Three
Fire suppression	Wet-pipe sprinkler system
Fire alarm	Central system with local notification

Overall Condition

Based on the systems and components observed during the site visit, the subject property appeared to be in good to fair condition. The overall level of preventative maintenance appeared to be good. The detailed observations of reviewed systems are presented in the following Sections of this report, with tabulated opinions of cost presented in the Appendices.

Reported Capital Expenditures

No recent or planned capital improvements were reported by property management.

Immediate and Short-Term Repair Items

This report presents opinions of costs for items or conditions that require immediate action as a result of the following: Material existing or potentially unsafe conditions, material code violations, or any other physical deficiencies that if left uncorrected would be expected to result in or contribute to the failure of critical elements or systems within one year or may result in a significant increase in remedial costs. These items should be addressed at the first practical opportunity.

In addition, this report presents opinions of costs for items or conditions that may not require immediate action, but should be conducted on a priority basis above and beyond routine maintenance. Generally, the recommended time frame for addressing these items is two years.

Deferred maintenance items and/or physical deficiencies that are considered significant are also identified in Table 1 - Immediate Repair and Deferred Maintenance Cost Opinion.

Replacement Reserve Items

In accordance with the terms under which this assessment was performed, this report includes opinions of costs for capital replacement reserve items that are anticipated to occur during a specified evaluation period. These items are identified in Table 2 – Long-Term Cost Opinion. Systems or components that are present at the subject property, but not listed in Table 2, are expected to realize a useful life that exceeds the evaluation period.

Cost Exclusions

This report excludes costs for systems or components that are reported to be a tenant responsibility to maintain and replace, that are generally associated with the normal operation of the subject property, that are part and parcel of a building renovation program, for enhancements to reposition the subject property within the marketplace, for work that is cosmetic or decorative, for work that is being conducted for warranty transfer purposes, and routine maintenance activities. This report also excludes costs that are below the reporting threshold established by the engagement agreement.

Deviation from ASTM E2018

The deviations listed below are part of the Partner standard operating procedures or were specified in the Client's scope of work.

- This report includes an opinion of costs for anticipated capital expenditures for an evaluation period defined by the Addressee. The costs are presented in Table 2.
- This report includes an evaluation of the condition of the observed components and systems.

Recommendations for Additional Investigations

There were no issues observed or reported that indicate the need for additional investigations.

TABLE 1 - IMMEDIATE REPAIRS & DEFERRED MAINTENANCE COST OPINION

Renaissance at City Center
 21800 S. Avalon Boulevard
 Carson, CA

Partner Project No. 20-297140.2
 November 5, 2020

Deficiency or Repair Item	Quantity	Unit	Unit Cost	Immediate Repair	Short-Term Cost	Total Cost
2.0 Regulatory Compliance						
None Noted						
3.0 Site Improvements						
3.2.9 Replace pool/spa filtration and circulation equipment	2	EA	\$2,500		\$5,000	\$5,000
3.2.9 Replace pool/spa heaters	2	EA	\$3,000		\$6,000	\$6,000
3.2.9 Remove and replace concrete deck at swimming pool and spa	1	LS	\$75,000	\$75,000		\$75,000
4.0 Structural Frame and Building Envelope						
4.3.1 Exterior cleaning, painting and sealing	130,000	SF	\$1.75		\$227,500	\$227,500
4.4.1 Provide reinforced fluid applied coating at low-slope roofing	62,000	SF	\$3.00		\$186,000	\$186,000
5.0 Mechanical and Electrical Systems						
5.5 Fire/Life safety repairs	1	LS	\$25,000	\$25,000		\$25,000
6.0 Interior Elements						
6.1 Replace common area carpet with vinyl flooring, amenities areas	10,000	SF	\$4.00		\$40,000	\$40,000
6.1 Prepare and repaint common area walls	20,000	SF	\$1.50		\$30,000	\$30,000
6.1 Replace common area FF&E	1	LS	\$45,000		\$45,000	\$45,000
6.5.2 Replace apartment carpet, 30% of units	45	EA	\$750		\$33,750	\$33,750
7.0 Accessibility						
7.0 Provide means of access for pool and spa	2	EA	\$2,000	\$4,000		\$4,000
7.0 Provide signage at accessible parking spaces	4	EA	\$200	\$800		\$800
7.0 Modify thresholds as needed at retail entrances	6	EA	\$750	\$4,500		\$4,500
7.0 Add railings at exit stair, west side of building	1	LS	\$500	\$500		\$500
8.0 Water Intrusion and Microbial Growth						
None Noted						
TOTAL				\$ 109,800	\$ 573,250	\$ 683,050



TABLE 2 - LONG-TERM COST OPINION

Renaissance at City Center
 21800 S. Avalon Boulevard
 Carson, CA

Partner Project No. 20-297140.2
 November 5, 2020

Number of units: 150
 Site effective age (years): 7
 Inflation rate: 2.5%
 Evaluation period (years): 12

Seq. No.	Description	Avg. EUL (YR)	Eff. Age (YR)	RUL (YR)	On Site Qty	Qty. In Place	Unit	Unit Cost	YR. 1	YR. 2	YR. 3	YR. 4	YR. 5	YR. 6	YR. 7	YR. 8	YR. 9	YR. 10	YR. 11	YR. 12	Total Cost
3.0 Site Improvements																					
3.2.9	Swimming pool liner, Resurface	12	7	5	1	1	EA	\$7,000					\$ 7,000								\$ 7,000
3.2.9	Spa liner, Resurface	12	7	5	1	1	EA	\$3,000					\$ 3,000								\$ 3,000
3.2.9	Pool/spa filtration/circulation equipment replacement	10	0	10	2	2	EA	\$1,700										\$ 3,400			\$ 3,400
3.2.9	Pool/spa heater replacement	10	0	10	2	2	EA	\$3,000										\$ 6,000			\$ 6,000
3.2.2	Re-install wheel stops at parking garage	10	4	6	90	90	EA	\$50					\$ 4,500								\$ 4,500
3.2.2	Re-stripe parking lines at parking garage	8	2	6	462	462	EA	\$10					\$ 4,620								\$ 4,620
3.2.9	Replace wood elements of trellis	15	7	8	1	1	LS	\$3,000							\$ 3,000						\$ 3,000
4.0 Structural Frame and Building Envelope																					
4.3.1	Exterior cleaning, painting, sealing	10	-3	13	130,000		SF	\$1.50													\$ -
5.0 Mechanical and Electrical Systems																					
5.1	Central water heater, Replace	15	7	8	1	1	EA	\$6,000							\$ 6,000						\$ 6,000
6.0 Interior Elements																					
6.1	Common area corridor carpeting, Replace	7	1	6	15,000	15,000	SF	\$1.50					\$ 22,500								\$ 22,500
6.5.2	Apartment carpet, Replace	7	3	4	150	135	EA	\$750			\$ 11,250	\$ 11,250	\$ 11,250	\$ 11,250	\$ 11,250	\$ 11,250	\$ 11,250	\$ 11,250	\$ 11,250	\$ 11,250	\$ 101,250
6.5.2	Apartment vinyl, Replace	15	6	9	150	75	EA	\$400							\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 30,000
6.5.5	Apartment refrigerator, Replace	15	7	8	150	25	EA	\$600							\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000
6.5.5	Apartment dishwasher, Replace	12	7	5	150	40	EA	\$400			\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 16,000
6.5.5	Apartment microwave/vent, Replace	12	7	5	150	40	EA	\$300			\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 12,000
6.5.5	Apartment washer/dryer combo, Replace	12	7	5	150	40	EA	\$800			\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 32,000
6.1	Prepare and repaint parking garage interior	8	2	6	170,000	170,000	SF	\$1.50					\$ 255,000								\$ 255,000
Uninflated Totals: \$									-	-	-	\$ 11,250	\$ 28,750	\$ 305,370	\$ 18,750	\$ 36,750	\$ 27,750	\$ 37,150	\$ 27,750	\$ 27,750	\$ 521,270
Inflated Totals: \$									-	-	-	\$ 12,115	\$ 31,735	\$ 345,498	\$ 21,744	\$ 43,684	\$ 33,811	\$ 46,395	\$ 35,522	\$ 36,410	\$ 606,915

Uninflated cost per unit per year: \$290
Inflated cost per unit per year: \$337



TABLE OF CONTENTS

1.0	INTRODUCTION	1
1.1	Purpose	1
1.2	Scope of Work	1
1.3	Cost Evaluation Methodology	1
1.4	Descriptive Qualifiers	2
1.5	User Reliance	2
2.0	RECONNAISSANCE, REGULATORY AND DOCUMENT REVIEW	3
2.1	Site Reconnaissance	3
2.2	Property Personnel Interviewed/Contacted	3
2.3	Regulatory Compliance Inquiry	3
2.4	Document Review	4
3.0	PROPERTY CHARACTERISTICS	5
3.1	Parcel Configuration	5
3.2	Site Improvements	5
3.2.1	Topography and Storm Water Drainage	5
3.2.2	Vehicular Access, Paving	5
3.2.3	Walkways, Grade-Level Steps and Ramps	6
3.2.4	Landscaping and Irrigation	6
3.2.5	Retaining Walls	7
3.2.6	Site and Building Signage	7
3.2.7	Perimeter Walls, Gates, and Fences	7
3.2.8	Exterior Lights	8
3.2.9	Site Amenities	8
3.2.10	Utility Service Providers	9
3.2.11	Special Utility Systems	9
4.0	STRUCTURAL FRAME AND BUILDING ENVELOPE	10
4.1	Foundation/Substructure	10
4.2	Building Frame	10
4.3	Facades or Curtain Walls	10
4.3.1	Exterior Walls	10
4.3.2	Windows	11
4.3.3	Doors	11
4.3.4	Parapets	11
4.4	Roof	12
4.4.1	Roofing Materials	12
4.4.2	Roof Drainage	12
4.5	Fire Escapes, Stairs or Balconies	13
5.0	MECHANICAL AND ELECTRICAL SYSTEMS	14
5.1	Plumbing, Domestic Hot Water, and Sewer Systems	14
5.2	Heating, Air Conditioning, and Ventilation	14

5.3	Electrical	15
5.4	Vertical Transportation	16
5.4.1	Elevators	16
5.4.2	Escalators.....	16
5.5	Life Safety and Fire Protection.....	17
5.5.1	Fire Suppression Systems	17
5.5.2	Alarm Systems.....	17
5.5.3	Other Systems	17
6.0	INTERIOR ELEMENTS.....	18
6.1	Common Areas	18
6.2	Amenities and Special Features.....	18
6.3	Support Areas.....	18
6.4	Commercial Tenant Spaces.....	19
6.5	Residential Spaces	19
6.5.1	Unit Types and Quantities.....	19
6.5.2	Finishes.....	20
6.5.3	Cabinetry and Fixtures	20
6.5.4	Soft Goods.....	21
6.5.5	Appliances.....	21
7.0	ACCESSIBILITY	22
8.0	SUSPECT WATER INTRUSION AND MICROBIAL GROWTH.....	24
9.0	NATURAL HAZARD INFORMATION.....	25
9.1	Flood Zone.....	25
9.2	Seismic Zone.....	25
10.0	OUT OF SCOPE CONSIDERATIONS.....	26
11.0	LIMITATIONS	28

FIGURES AND APPENDICES

The following report Figures and Appendices are attached at the end of this report.

- Figure 1: Site Location Map
- Figure 2: Site Plan
- Appendix A: Site Photographs
- Appendix B: Supporting Documentation
- Appendix C: Qualifications

1.0 INTRODUCTION

1.1 Purpose

The purpose of this assessment is to provide information to evaluate the condition of the subject property in order to facilitate completion of due diligence by the addressee. The purpose is accomplished by describing the primary systems and components of the subject property, identifying conspicuous defects or material deferred maintenance, and presenting an opinion of cost to remedy the observed conditions. In addition, this report identifies systems or components that are anticipated to reach the end of their expected useful life during the specified evaluation period and includes an opinion of cost for future capital replacements.

1.2 Scope of Work

This assessment was performed in conformance with the scope and limitations as set forth by ASTM E2018-15 "Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process" (the Standard) and as specified in the engagement agreement that initiated this work. Specific requirements or deviations from the minimum ASTM standard are described herein.

This assessment was performed utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. The independent conclusions represent Partner's best professional judgment based upon existing conditions and the information and data available to us during the course of this assignment.

1.3 Cost Evaluation Methodology

Opinions of costs presented within this report are based on construction costs developed by construction resources such as Marshall & Swift, RS Means, Partner's experience with past costs for similar projects, city cost indexes, consultations with local specialty contractors, client-provided information, and assumptions regarding future economic conditions. Actual cost estimates are determined by many factors including but not limited to: choice and availability of materials, choice and availability of a qualified contractor, regional climate zone, quality of existing materials, site compatibility, and access to the subject property and buildings. In addition, opinions of costs are based solely on material replacement and do not account for soft costs.

Items included in the replacement reserve table are determined based upon the estimated useful life (EUL) of a system or component, the apparent effective age (EA) of the system, and the remaining useful life (RUL) of that system. Factors that may affect the age and condition of a system include, but are not limited to, the frequency of use, exposure to environmental elements, quality of construction and installation, and amount of maintenance provided. Based on these factors, a system may have an effective age that is greater or less than its actual chronological age.

1.4 Descriptive Qualifiers

The following definitions and terminology are used in this report regarding the physical condition of the project, and the estimated life expectancies/age of the components and systems.

Good	In working condition and does not require immediate or short-term repairs above an agreed threshold.
Fair	In working condition, but may require immediate or short-term repairs above an agreed threshold.
Poor	Not in working condition or requires immediate or short-term repairs substantially above an agreed threshold.

The agreed threshold is presumed to be the de minimis reporting threshold, unless otherwise specified in this report.

Unless stated otherwise in this report, the systems reviewed are considered to be in good condition and their performance appears to be satisfactory.

1.5 User Reliance

Partner was engaged by the Addressee, or their authorized representative, to perform this assessment. The engagement agreement specifically states the scope and purpose of the assessment, as well as the contractual obligations and limitations of both parties. This report and the information therein, are for the exclusive use of the Addressee. This report has no other purpose and may not be relied upon, or used, by any other person or entity without the written consent of Partner. Third parties that obtain this report, or the information therein, shall have no rights of recourse or recovery against Partner, its officers, employees, vendors, successors or assigns. Any such unauthorized user shall be responsible to protect, indemnify and hold Partner, the Addressee and their respective officers, employees, vendors, successors and assigns harmless from any and all claims, damages, losses, liabilities, expenses (including reasonable attorneys' fees) and costs attributable to such use. Unauthorized use of this report shall constitute acceptance of, and commitment to, these responsibilities, which shall be irrevocable and shall apply regardless of the cause of action or legal theory pled or asserted. Additional legal penalties may apply.

2.0 RECONNAISSANCE, REGULATORY AND DOCUMENT REVIEW

2.1 Site Reconnaissance

Date: October 29, 2020
 Weather: Clear and fair
 Field Assessor: Rich Milstead AIA, NCARB, RRO
 Escort: Aaron Stamps, 310.518.3400

Limiting Conditions

The performance of this assessment was limited by the following conditions:

- Due to the concerns and issues presented by the COVID-19 pandemic, access to the interior or other portions of the subject property was limited or denied. Additional measures were taken to gather as much information about the property interiors and building systems as possible. However, the observations and therefore the information and opinions in this report are limited.
- Observed tenant areas were selected by the escort. The observed conditions are presumed to be indicative of areas throughout the subject property.
- Portions of the roofs are pitched, not safely accessible, and were observed from ground level.
- A pre-survey questionnaire was not completed at the time of the assessment.

2.2 Property Personnel Interviewed/Contacted

The site escort was interviewed during the course of the survey. Additional site personnel were not available for interview. Mr. Stamps has been associated with the subject property for four years and was cooperative during the property observations. Mr. Stamps appeared to be knowledgeable about the subject property history and maintenance practices.

In addition to the above-referenced escort, the following personnel associated with the subject property were interviewed as part of the preparation of this report. Information obtained from the interviews is incorporated into the appropriate Sections of this report.

Individual	Position or Title	Contact Number/Email
Ms. Danielle Seguin	Community Manager	(310) 518-3400

The persons interviewed were cooperative and appeared to be knowledgeable about the subject property history and maintenance practices.

2.3 Regulatory Compliance Inquiry

Building Codes		Carson Building and Safety	
Contact:	Desk	Telephone:	310-830-1700
Findings:	<input type="checkbox"/> No Violations	<input type="checkbox"/> Violations	<input checked="" type="checkbox"/> Awaiting response
	Awaiting response. A written request for information was submitted on October 30, 2020; no response was received prior to the preparation of this report. Inspections are completed during the construction process.		

Fire or Life Safety		Los Angeles County Fire Department	
Contact:	Online	Telephone:	323-267-7217
Findings:	<input type="checkbox"/> No Violations	<input type="checkbox"/> Violations	<input checked="" type="checkbox"/> Awaiting response
	Awaiting response. A written request for information was submitted on October 30, 2020; no response was received prior to the preparation of this report.		
Zoning		Carson Planning Dept	
Contact:	Online	Telephone:	310-952-1761
Findings:	<input type="checkbox"/> No Violations	<input type="checkbox"/> Violations	<input checked="" type="checkbox"/> Awaiting response
	Awaiting response. A written request for information was submitted on October 30, 2020; no response was received prior to the preparation of this report.		
According to a review of the zoning map obtained from City of Carson, the subject property is zoned CAMU and multifamily commercial. Based on limited review, the subject property appeared to be compliant.			

This information does not constitute a detailed regulatory-compliance investigation and any code compliance issues noted in this report are based on information provided by the regulatory agencies noted above. If possible, the provided information was confirmed with on-site observations. Additional information that is received within 30 days of the site visit will be forwarded upon receipt.

2.4 Document Review

The following documents were readily available or provided to Partner for reference as part of this assessment.

- On-line building code violation database
- Federal Emergency Management Agency (FEMA) flood hazard layer map
- Offering Memorandum
- Architectural plans, prepared by Withee Malcom Architects, LLP, dated June 7, 2010
- Structural plans, prepared by Englekirk Partners, dated June 7, 2010
- Mechanical and Plumbing drawings, prepared by Gashandi & Associate, dated June 7, 2010
- Electrical drawings, prepared by Nutter Electrical Design, Inc, dated September 15, 2011

3.0 PROPERTY CHARACTERISTICS

3.1 Parcel Configuration

The subject property improvements are placed upon multiple parcels. The parcels are rectangular and comprise approximately 2.74 acres per the architectural drawings.

3.2 Site Improvements

3.2.1 Topography and Storm Water Drainage

The general vicinity is fully developed. The subject property slopes from the south to the north.

Storm water from the landscaped areas and paved areas is removed primarily by sheet flow action across the paved surfaces the public right of way, and to on-site storm water drains. An underground filtration system and storm water sump and pump station is located in the lower level of the parking structure.

The subject property is connected to a storm sewer system that is owned and maintained by the municipality.

Survey Condition and Analysis

The topography appeared to be in good overall condition and appeared to adequately accommodate the built improvements. Routine maintenance is anticipated during the evaluation period.

Precipitation was not present during the walk-through survey; consequently, direct observation of the operation of the storm water drainage system was not possible. Evidence of improper operation was not readily apparent. Routine maintenance, including clearing of debris from inlets, channels, piping, and outlets, is anticipated throughout the evaluation period.

3.2.2 Vehicular Access, Paving

Vehicular access is provided by two-way drive lanes leading from the adjacent public right-of-way to the on-site parking areas and drive aisles. Signalization is provided at the primary entrance point to the subject property.

Vehicular entry for the ground level structured parking is provided through two entrances. The primary entrance is at the intersection of Avalon Boulevard and Center Street. The secondary entrance is at the northeast corner of the property from East Carson Street.

The ground level parking is provided for the retail and restaurants, as well as visitor parking for the residential units. Access to the lower level parking is provided on the south portion of the property from a concrete driveway from South Avalon Boulevard, and is controlled by a motorized gate with card reader. This entrance is a two-way drive, also serving as an exit. A second exit is provided at the northeast corner of the property. The lower level parking is shared with an attached senior housing development, which is not part of this report.

Concrete pavement is provided at the right-of-way approaches. Concrete pavement is utilized throughout the property.

According to the construction drawings, parking areas for this property provide a total of 462 spaces, including 11 ADA-designated spaces, of which four are van-designated spaces.

Curbing placed at the parking area perimeters and interior islands consists of cast-in-place concrete.

Survey Condition and Analysis

Pavement appeared to be in good structural condition. Minor cracking was noted at select areas of the ground level and lower level parking slabs. This cracking should be monitored, and if the cracks widen or vertically displace, sealing of the cracks should be conducted.

Pavement markings and striping appear to be in good condition. Reapplication of markings and striping is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

Curbing appeared to be in good condition. Routine maintenance, including minor sectional replacement, is anticipated throughout the evaluation period. The sealant between the curb and adjacent paving was noted to be failing in areas and should be replaced as part of routine maintenance.

Wheel stops in the garage were noted to be displaced in areas. An opinion of cost to re-install the wheel stops is included in Table 2.

3.2.3 Walkways, Grade-Level Steps and Ramps

Building entrance flatwork and pedestrian walkways consist of cast-in-place concrete construction. Accent areas of the paving is decorative, stamped and colored concrete. Ramps and steps accommodate sidewalk grade changes. Portions of the paving at the east side of the property is coated with an elastomeric paint.

Survey Condition and Analysis

The pedestrian concrete walkways appear to be in good to fair overall condition. Limited cracking was noted throughout. Failure of the elastomeric coating was noted in select areas. Preparation and recoating of the elastomeric paint at the east walkways during the term should be anticipated. Based on the limited scope and cost, this work should be conducted as part of routine maintenance.

The sealant at the intersection of the concrete curb and adjacent concrete paving was noted to be missing or damage in areas. Replacement of the sealant should be done as part of routine maintenance.

The concrete paving was noted to be cracked at the pool deck, with signs of corrosion. An opinion of cost for the replacement of the concrete is included in Table 1.

Routine maintenance, including minor sectional replacement, is anticipated throughout the evaluation period.

3.2.4 Landscaping and Irrigation

Landscaped areas consisting of ground cover, floral plantings, trees, and shrubs are provided in areas not occupied by the building, walkways, or pavement. An underground automatic irrigation system is provided.

Survey Condition and Analysis

Vegetative materials appeared to be in good overall condition. Routine maintenance, including as-needed replacement of vegetation, is anticipated throughout the evaluation period.

Although operation of the sprinkler system was not directly tested, components are assumed to be in proper working order, based on the general appearance and as reported by management. The overall conditions of the landscaping and maintenance practices by the landscape service appeared to be adequate. Routine maintenance is anticipated during the evaluation period.

An area of the courtyard planter walls exhibited signs of excessive water with possible organic growth. Partner recommends adjustment of the irrigation system in that area to avoid over watering. Based on the limited scope and cost, this work should be conducted as part of routine maintenance.

3.2.5 Retaining Walls

Low retaining walls were observed on the eastern and southern perimeter of the subject property. The walls are constructed with cast-in-place concrete. Low planter retaining walls were also observed throughout the courtyard area and are stucco covered, likely over concrete masonry unit (CMU) construction.

Survey Condition and Analysis

The retaining walls appeared to be in good condition. Routine maintenance is anticipated during the evaluation period. Reapplication of paint is anticipated during the evaluation period and should be conducted as part of exterior painting activities.

3.2.6 Site and Building Signage

Building address identification is primarily provided by metal signage positioned on the exterior building wall and at pedestrian entrances. A limited quantity of façade-mounted, tenant-specific signage is also present. Tenant signage appeared to be limited to above and/or adjacent to storefront entrance locations and fabric awnings.

Survey Condition and Analysis

The signage appeared to be sufficient and in good condition. Sign painting or replacement can be conducted on an as-needed basis during the evaluation period as part of routine maintenance.

3.2.7 Perimeter Walls, Gates, and Fences

Concrete masonry unit (CMU) walls and painted metal security fencing are provided along the western and southern perimeters of the subject property. Painted steel gates are provided at the vehicular entrances to the lower level parking garage. Painted steel fencing and gates were noted at the perimeter of the pool and spa area in the courtyard, and at building exits around the perimeter of the building.

Survey Condition and Analysis

The perimeter walls, fencing and gates, including associated automatic gate operating mechanisms, appeared to be in good and operational condition. Routine maintenance is anticipated during the evaluation period. Preparation and repainting of the steel fencing and gates is anticipated during the evaluation period and should be conducted as part of exterior painting activities.

3.2.8 Exterior Lights

Outdoor lighting is provided by pole-mounted light fixtures generally located in the courtyard and along the subject property drive aisles. The fixtures are equipped with high-intensity discharge lamps. The poles are constructed with elevated concrete bollard bases near the drive aisles. Soffit areas over entryways have recessed fluorescent lighting. Timers and photocells control exterior lighting.

The subterranean parking garage has light emitting diode (LED) fixtures mounted to the underside of the ceilings.

Survey Condition and Analysis

The walk-through survey was conducted during daylight hours and lighting operation could not be verified. Based on the number of lights provided and the spacing, the lighting appeared to be adequate and was reported to be sufficient for the subject property.

The light fixtures were reported and appeared to be in good overall condition. The light fixtures are anticipated to require minimal repairs and replacements that can be addressed as part of routine maintenance during the evaluation period.

3.2.9 Site Amenities

The property has an outdoor swimming pool and spa. The pool and spa are constructed of concrete with a painted plaster finish and ceramic tile at the water line. A concrete coping is located around the edge of the pool and spa with surrounding deck surfaces are concrete. Equipment is located in a fenced outdoor area adjacent to the pool and consists of filters, circulating pumps, and gas-fired heaters. The heaters were manufactured by Rheem. Exposed circulation piping is PVC.

Barbeque areas with seating and gas grilles are located in the courtyard, as well as seating areas. Some seating areas include a wood trellis above or small water features. A ping pong table was noted outside the fitness center. Seating areas with railings are also provided on the west side of the building for restaurant tenants at the ground floor.

An outdoor terrace is provided at the west side of the building on the 4th floor. The terrace includes outdoor furniture.

Survey Condition and Analysis

The recreational facilities and site amenities appeared to be in generally good to fair overall condition. Routine maintenance is anticipated during the evaluation period.

The swimming pool appeared to be in good to fair overall condition. Piping in the equipment space was leaking and should be repaired as part of routine maintenance. Replacement of the pool lining, equipment and paving is anticipated during the evaluation period. An opinion of cost for this work is included in Tables 1 and 2.

The wood trellises were observed to be in good to fair overall condition. As-needed replacement of some wood elements is anticipated during the evaluation period. An opinion of cost for this item is included in Table 2. Replacement of outdoor furniture should be anticipated in the term as part of routine maintenance.

3.2.10 Utility Service Providers

Utility	Provider	Meter configuration and location
Storm Water	City of Carson	
Electric	Southern California Edison	Meters are located in two electrical rooms along the east face of the parking garage.
Gas	Southern California Gas Company	Gas meters are located on the east and south faces of the building.
Water	California Water Company	The building meter is located on the east side of the building.
Sanitary Sewer	California Water Company	

Survey Condition and Analysis

No issues or service deficiencies were reported. Routine maintenance is anticipated during the evaluation period.

3.2.11 Special Utility Systems

Special utility systems are not present.

4.0 STRUCTURAL FRAME AND BUILDING ENVELOPE

4.1 Foundation/Substructure

According to as-built drawings, foundations consist of a conventional, concrete spread footing system, including a concrete slab with continuous strip footing at the perimeter and isolated spread footings at interior bearing locations. Cast-in-place concrete foundation walls were observed at the perimeters of the below grade structures.

Survey Condition and Analysis

Evidence of structural distress indicative of foundation settlement was not observed. Foundations appeared to be in functional condition. Normal monitoring of the foundations is anticipated during the evaluation period.

4.2 Building Frame

The subterranean and ground floor parking garage is constructed of conventionally reinforced concrete slab floors, supported by concrete and CMU perimeter walls and concrete columns.

The apartment building is constructed of conventional, wood-stud platform framing.

The low-slope and pitched roof structure consists of conventional wood framing with wood sheathing and wood sloped over framing and wood sheathing. Attic ventilation is provided by vents on the back of the parapet wall at pitched roofs.

Survey Condition and Analysis

Evidence of structural distress indicative of framing failure was not observed. The framing appeared to be in functional condition. Normal monitoring of the framing is anticipated during the evaluation period. Minor cracking of the floor slabs of the parking garage were noted, which are not considered to be a structural issue. The cracks should be monitored, and if they become more serious, should be reviewed by a structural engineer.

Fire retardant-treated plywood (FRTP) was not observable at the attic spaces. Evidence of damage or deterioration of the FRTP was not observed.

4.3 Facades or Curtain Walls

4.3.1 Exterior Walls

The exterior walls of the building consist of stucco, and painted concrete and CMU. Precast concrete panels were observed in areas near building entrances. Decorative banding projecting from the face of the stucco walls was noted, along with metal reveals in select areas.

Soffits are painted stucco and concrete.

Survey Condition and Analysis

The exterior walls appeared to be in generally good condition. Routine maintenance is anticipated during the evaluation period.

Minor cracking of the stucco was observed in areas, which should be sealed concurrent with exterior painting activities.

Based on the observed condition of the paint finish and the average effective useful life of paint coatings, reapplication of exterior paint is anticipated during the evaluation period. An opinion of cost for this work is included in Tables 1 and 2.

4.3.2 Windows

Windows appeared to be double-pane operable units at the apartment units, and double-pane aluminum framed storefront windows at the retail and amenities areas.

Window framing appeared to be vinyl at the apartment units.

Windows at the building entrances are part of a storefront window system consisting of full height, low-e solar tinted glazing in aluminum frames that incorporate the entry doors. These storefront windows include vinyl gaskets at the joints between glazing and aluminum framing.

Survey Condition and Analysis

Windows were reported and appeared to be in good overall condition. No signs of window leaks or condensation were evident during the observation. Window sealants appeared to be intact, with no signs of deterioration. Routine maintenance is anticipated during the evaluation period.

4.3.3 Doors

Retail and amenity entrance doors consist of a single or pairs of aluminum-framed doors with full-height glazing set in an aluminum storefront system. Hardware includes horizontal exit bars where appropriate, exterior pulls, closers, and deadbolts.

Unit entry doors are painted, wood solid-core raised-panel doors set in wood frames. The doors have lever handles, closers, and deadbolts. Doors to the courtyard and upper floor balconies are wood French doors with lever handle hardware and deadbolts and sliding glass doors.

Two overhead coiling doors are located at the south elevation of the building at the loading area. The loading area doors consist of overhead, steel panel, coiling doors that are manually-operated.

Survey Condition and Analysis

Doors were reported and appeared to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

4.3.4 Parapets

Exterior walls extend above the roof plane as parapets and are capped with painted sheet steel caps. Roof materials cover the inboard sides of the parapets. The materials terminate under the parapet cap.

Survey Condition and Analysis

Parapets appeared to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

4.4 Roof

4.4.1 Roofing Materials

The low-slope roof covering consists of a built-up roofing (BUR) system with mineral-surfaced cap sheet. The pitched accent roofs at the perimeter are clad with asphalt shingles.

The roofing materials extend vertically up the inboard side of the parapet walls, terminating under metal copings.

Flashing materials appeared to be similar to the roofing membrane.

Survey Condition and Analysis

The roofing systems appeared to be in good to fair overall condition. According to property management, the shingles and membrane are the originally installed systems. Based on observations, the reported age appeared to be reasonable. No evidence of roof leaks was observed, and property management reports that the roofs are leak free.

Isolated areas of patching were noted. Areas of the mineral cap sheet was noted to be missing aggregate. Based on EUL, and to extend the life of the roof, a reinforced liquid coating of the low-slope roof membranes is anticipated during the evaluation period with an opinion of the cost for this work included in Table 1. A substantial roof blister was noted and pointed out to building management. The blister should be repaired as part of routine maintenance.

According to the site escort, roof maintenance and repairs are conducted by a roofing contractor.

4.4.2 Roof Drainage

Storm water runoff for the low-slope roof is directed to primary and overflow roof drains. The primary drains are connected to internal leaders that connect directly into the storm drain collection system. The overflow drains exit through exterior walls to grade. The pitched roof areas drain to perimeter painted metal gutter and downspout assemblies that discharge to grade.

Survey Condition and Analysis

Roof drains appeared to be in good overall condition. Roof drains should be repaired or replaced as needed during roof replacement activities or as part of routine maintenance.

Evidence of past ponding was noted in select areas. Although ponding may decrease the useful life of the roof, decking and insulation repairs are not practical or recommended. The noted area should be monitored for accelerated deterioration.

4.5 Fire Escapes, Stairs or Balconies

The building has interior stairs providing egress from the upper floors and from the subterranean level of the parking garage to grade. Interior and exterior stairs are steel framed with concrete filled metal pan treads. Steel pipe guardrails are located on the open sides, while steel handrails are located on adjacent walls. All observed steel components are painted.

The curved, ornamental stair at the main lobby is likely constructed of steel framing with stone treads and risers, stained wood trim at the stringers, and ornamental metal railings.

Balconies are constructed of wood framed substructures with plywood sheathing, waterproofing and protection board below a concrete topping slab. Balconies are integral to the building structure. Balcony railings are painted steel above low wood framed stucco walls.

Survey Condition and Analysis

Stairs and balconies appeared to be in good condition. Routine maintenance is anticipated throughout the evaluation period. Painting of the stairs, fire escapes, balconies, and guard rails can be performed in conjunction with the painting of the building exterior or interior common areas.

The state of California passed SB 721 into law, requiring inspections of exterior elevated elements, which would include the balconies and walkways of this project. Starting in January 2025, qualified inspectors will need to inspect the waterproofing and condition of the wood framing of these balconies. Partner recommends budgeting for inspections as part of routine maintenance.

5.0 MECHANICAL AND ELECTRICAL SYSTEMS

5.1 Plumbing, Domestic Hot Water, and Sewer Systems

Domestic water piping was reported to be copper and PVC per the construction documents. Observation of visible piping at water heaters and plumbing stub-outs indicates that the piping is copper.

Domestic hot water is supplied by boilers and a gas-fired water heater. The boilers are 400,000 BTUH Raypak boilers with 462 gallon glass lined Raypak storage tanks with foam insulation. One water heater is provided at the property, a 500,000 BTUH A. O. Smith gas water heater with 150 gallon capacity.

Underground grease interceptors were noted at the property for the restaurant tenants. The plumbing drawings note that the capacity is 1,500 gallons. A sand and oil interceptor with 750 gallon capacity was noted at the lower level of the parking garage.

A duplex sump pump was noted at the lower level of the parking garage, equipped with ½ HP and 1 HP pumps.

Survey Condition and Analysis

The plumbing systems were reported to be in good overall condition. Evidence of leaks or faulty piping was not observed. Routine maintenance is anticipated during the evaluation period.

The sanitary drainage and vent system was reported to be in good overall condition. Evidence of leaks or faulty piping was not observed. Routine maintenance is anticipated during the evaluation period.

The water heater appeared to be in good overall condition. The unit was reported to be seven years old. Replacement of the water heater is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

The boilers and storage tanks were observed to be in good overall condition. Routine maintenance is anticipated during the evaluation period.

5.2 Heating, Air Conditioning, and Ventilation

Equipment description	Model number	Size	Manufacture date	Condition
Heat pump	Carrier 25HBB318	1.5 tons	2012	Good
Heat pump	Carrier 25HBB324	2 tons	2012	Good
Heat pump	Carrier 25HBB330	2.5 tons	2012	Good
Heat pump	Carrier 25HBB336	3 tons	2012	Good
Heat pump	Carrier 25HBB342	3.5 tons	2012	Good
Heat pump	Carrier 25HBB348	4 tons	2012	Good
Heat pump	Carrier 25HBB360	5 tons	2012	Good
Heat pump	Carrier 38CRR060	5 tons	2012	Good
Heat pump	Carrier 25HBB460	5 tons	2012	Good
Fan coil	First Co. 19Hx3-C	1.5 tons	2012	Good
Fan coil	First Co. 25HX3-C	2 tons	2012	Good
Fan coil	First Co. 31HX3-C	2.5 tons	2012	Good
Fan coil	First Co. 37HX3-C	3 tons	2012	Good

Equipment description	Model number	Size	Manufacture date	Condition
Fan coil	Carrier FX4C036	3 tons	2012	Good
Fan coil	Carrier FX4C042	3.5 tons	2012	Good
Fan coil	Carrier FX4C048	4 tons	2012	Good
Fan coil	Carrier FX4C060	5 tons	2012	Good

Heating and cooling are provided by direct expansion HVAC split systems. Each system has a condensing unit located on the roof and a fan coil/furnace unit located above the ceilings or in a closet. Manufactured by Carrier, the condensing units have a typical input capacity of 1.5 to 5 tons and use R410A refrigerant. The furnace units provide heat through electric resistance coils. Distribution of the conditioned air is by concealed sheet metal ductwork and temperature control is by a local thermostat.

Ventilation is provided by individual and common area fans that vent through the roof and through the exterior walls. The parking garage is ventilated by three Greenheck fans, rated for 42,000, 49,000 and 35,000 CFM. The construction documents indicate that the garage exhaust fans are to run continuously, but property management reports that these fans are controlled by carbon monoxide sensors. Exhaust fans for the restaurant tenants were noted.

Survey Condition and Analysis

According to property management, the mechanical equipment is maintained by in-house staff and an outside vendor.

The HVAC equipment components are reported to be in good overall condition. Replacement the HVAC equipment is not anticipated during the evaluation period. Routine maintenance is anticipated during the evaluation period.

Roof-mounted exhaust fans appeared to be in good condition. Routine maintenance, including regular inspection, testing, and minor repair is anticipated throughout the evaluation period.

5.3 Electrical

Electrical service is delivered via pad-mounted, utility-owned transformers located east and south of the building. Main electrical service #1 is rated at 3,000 amp, 120/208 volt, 3 phase main distribution panels. Main electrical service #2 is rated at 3,000 amp, 120/208 volt, 3 phase main distribution panels. Main electrical service #3 is rated at 3,000 amps, 120/208 volt, 3 phase main distribution panels. Breaker panels for lighting and power controls are located in the electrical rooms and in the units. Observed panels and switchgear were manufactured by Square D.

Electrical branch wiring was reported to be copper by the offering memorandum. Ground fault circuit interrupter (GFCI) outlets were observed in kitchens and bathrooms.

Emergency electrical power is provided by battery inverters located in the electrical rooms. The inverters reportedly provide power for emergency and life safety systems throughout the building.

Survey Condition and Analysis

The electrical service was reported to be adequate for the current demands of the facility. The switchgear, circuit breaker panels, electrical meters, and wiring appeared to be in good condition. Routine maintenance is anticipated during the evaluation period.

The backup inverters were reported to be in good condition and were reportedly test-operated on a regular basis. The batteries were reportedly replaced in September 2019. Routine maintenance is anticipated throughout the evaluation period.

5.4 Vertical Transportation

5.4.1 Elevators

Three hydraulic elevators are provided at the property, two at the main entry and one freight elevator at the south end of the property. According to posted signs and placards, the elevators were manufactured by Delta Elevator. The capacities are 2,500 pounds each at the passenger elevators and 4,000 pounds at the freight elevator.

The interior cab finishes consist of tile floors, stainless steel and laminated plastic wall panels, and stainless steel ceilings with recessed lighting.

Each control panel is provided with illuminated push button floor indicators, alarm button, and emergency phone. The elevators are provided with audible floor indicators and sensors that automatically open the doors when an obstruction is encountered.

Survey Condition and Analysis

The elevators appeared to be in good overall condition. According to the operation permit, the elevators were last inspected on November 21, 2019, with the permits are valid until November 21, 2020. The elevators last load test information was not provided. Inspection certificates were observed within the elevator cabs.

The elevators are reportedly maintained through a service contract with Delta Elevator. The service contract and maintenance information was not provided.

Routine maintenance, including inspection, testing and minor repairs, is anticipated throughout the evaluation period.

5.4.2 Escalators

Escalators are not provided.

5.5 Life Safety and Fire Protection

5.5.1 Fire Suppression Systems

The building is protected by an automatic fire protection system consisting of a wet-pipe automatic sprinkler system. A standpipe and fire hose system provides a means for manual application of water to fires. Water is supplied via a fire sprinkler line from the municipal main that is reportedly fitted with flow and tamper switches and a backflow prevention device located at the north east corner of the property.

A fire department connection is located on the exterior wall near the main entrance and stairwells at each floor have a standpipe with fire department connection. Fire sprinkler piping appeared to be steel. Fire hydrants are located along the east and south side of the property.

Fire extinguishers were observed in corridors, elevator lobbies, and in mechanical/electrical spaces. They are reportedly inspected on a yearly basis.

Survey Condition and Analysis

The fire suppression system appeared to be in good overall condition. The system is reportedly tested on an annual basis. Current inspection tags were observed on the riser. Routine maintenance, including regularly-scheduled testing, is anticipated during the evaluation period. We have included an allowance for repairs and service of the fire suppression and alarm system in Table 1.

5.5.2 Alarm Systems

The fire alarm system is reportedly comprised of heat detectors, pull stations, and alarm horn/strobes. Hardwired smoke detectors and carbon monoxide detectors are located in public spaces and each unit, and are connected to a central panel. A central fire alarm control panel monitors the smoke detectors, pull stations, and sprinkler system flow switches. The panel was manufactured by Kidde and includes a remote dialer.

Survey Condition and Analysis

The fire alarm system appeared to be in good overall condition and is reportedly tested on an annual basis. Current inspection tags were not observed on the main control panel. Routine maintenance, including regularly scheduled testing, is anticipated during the evaluation period. We have included an allowance for repairs and service of the fire alarm system in Table 1.

5.5.3 Other Systems

Additional systems are not provided.

6.0 INTERIOR ELEMENTS

6.1 Common Areas

Significant common areas at the subject property consist of the lobby, fitness center, community room, card room, game room, movie screening room, elevator cabs, stairwells, trash rooms, corridors, and elevator lobbies.

Corridor finishes consist of carpet and exposed concrete flooring, painted gypsum board and stucco walls, and painted gypsum board and stucco ceilings. Lighting consists of recessed fluorescent fixtures.

Common area finishes consist of tile and carpet flooring, painted gypsum board walls, and painted gypsum board ceilings. Lighting consists of recessed and pendant fluorescent light fixtures.

Stairwell and interior corridor doors are solid-wood or painted metal doors equipped with panic-bar hardware and closers. The restroom finishes consist of ceramic tile floors and walls, painted gypsum board ceilings, and plastic laminate toilet partitions.

Survey Condition and Analysis

Common area finishes appeared to be in good condition. Replacement or refurbishment of finishes is anticipated during the evaluation period. An opinion of cost for this work is included in Tables 1 and 2.

6.2 Amenities and Special Features

The building is constructed with a fitness center, community room with kitchen, card room, games room and movie screening room. Common area furnishings consist of sofas, chairs, and tables and a billiards table.

Survey Condition and Analysis

Amenities and furnishings appeared to be in good overall condition. Routine maintenance is anticipated during the evaluation period. Repainting and replacement of flooring should be anticipated in the term, and an opinion of costs have been included in Tables 1 and 2.

6.3 Support Areas

Management office and back-of-house areas include offices and a maintenance room.

Management offices are finished with carpet flooring, painted gypsum board with accent areas of wood paneling, and painted gypsum board ceilings.

Doors are typically stained, solid core wood set in painted metal frames or painted hollow metal doors at the maintenance area. Hardware consists of lever handles.

Survey Condition and Analysis

Interior support area finishes appeared to be in good overall condition. Based on the expected useful life, replacement of soft finishes (carpet, paint and wall coverings) is anticipated during the evaluation period as part of common finish replacements.

Furnishings and equipment appeared to be in good to fair overall condition. Based on the expected useful life, replacement of a portion of the furnishings and equipment is anticipated during the evaluation period. An opinion of cost for this work is included in Table 1.

6.4 Commercial Tenant Spaces

Tenant occupancy includes retail and restaurant tenants at the ground floor. According to property management, the building is currently configured for five tenants.

Observed tenant space flooring consists of carpet and ceramic tile floors. Walls are typically painted gypsum board; areas of vinyl wall covering. Ceilings are typically suspended acoustic tiles, painted gypsum board and exposed structure ceilings.

Entrance doors are aluminum framed glazed storefront doors. Interior doors are typically stained, solid core wood set in metal frames. A rent roll was not provided by property management.

Survey Condition and Analysis

The tenant finishes and furnishings appeared to be in good condition. Maintenance, repair, and replacement of the tenant area finishes are generally tenant responsibilities, and as such an opinion of cost for this work is not included in this report.

6.5 Residential Spaces

6.5.1 Unit Types and Quantities

Property management reports that the units include 43 one bedroom/one bath units, 95 two bedroom/2 bath units and 12 three bedroom/2 bath units, for a total of 150 units. Unit sizes were not provided. The offering memorandum did provide partial information on the unit sizes.

The following residential spaces were observed during the site visit.

Observed tenant spaces were selected by property management on the basis of tenant cooperation and privacy concerns.

Units were randomly selected during the walk-through survey. Conditions appeared to be consistent throughout; consequently additional observation was not warranted.

Observed spaces		
Unit ID	Status (O.V.M.D)	Condition notes
202	Occupied	No significant issues noted
204	Occupied	No significant issues noted
205	Occupied	No significant issues noted
230	Occupied	No significant issues noted
222	Occupied	No significant issues noted
219	Occupied	No significant issues noted
214	Occupied	Minor staining of the ceiling above the bathtub was noted, likely not suspected organic growth.
301	Occupied	No significant issues noted
305	Occupied	No significant issues noted

Observed spaces		
Unit ID	Status (O,V,M,D)	Condition notes
303	Occupied	No significant issues noted
312	Occupied	No significant issues noted
313	Occupied	No significant issues noted
317	Occupied	No significant issues noted
322	Occupied	No significant issues noted
324	Occupied	No significant issues noted
327	Occupied	No significant issues noted
329	Occupied	No significant issues noted
335	Occupied	No significant issues noted
342	Occupied	Extensive weight training equipment was observed. Consider review by structural engineer to verify load capacity of floor. The sealant at the deck near the sliding glass door appears to be failing and should be replaced.
349	Occupied	No significant issues noted
406	Occupied	No significant issues noted

6.5.2 Finishes

Floors are typically finished with carpet at bedrooms and vinyl plank in living rooms kitchens, and bathrooms. Walls and ceilings are typically painted gypsum board.

Ceramic tile is used around the shower/tub enclosure.

Entrance doors are typically solid core raised panel wood set in wood frames. Hardware includes a locking handle, separate deadbolt, and peep hole. Interior doors are hollow core raised panel wood set in wood frames with a lever handle.

Survey Condition and Analysis

The residential unit finishes appeared to be in good condition. Based on EUL, replacement of the finishes is anticipated during the evaluation period and an opinion of cost for this work is included in Tables 1 and 2.

6.5.3 Cabinetry and Fixtures

The kitchens are equipped with stainless steel sinks, composition board cabinets with thermofoil cladding, and solid surface quartz countertops. Typical bathroom fixtures include a floor-mounted, tank-type commode, a lavatory with a vanity, and a shower/bathtub arrangement with a ceramic tile surround and shower curtain and rod.

Survey Condition and Analysis

According to the property management, kitchen and bathroom fixtures are replaced as-needed or during tenant turnover. Overall, the fixtures appeared to be in good to fair condition. The thermofoil cladding of the kitchen cabinet doors was noted to be delaminating and distorting in numerous units. Repairs are recommended as part of routine maintenance.

6.5.4 Soft Goods

Soft goods are not provided.

6.5.5 Appliances

Kitchens are provided with one-piece gas range-ovens with vented microwave ovens above, refrigerators, garbage disposers and dishwashers. Stackable washers and dryers are provided in each of the units.

Survey Condition and Analysis

Appliances appeared to be in good condition. Based on EUL, replacement is anticipated during the evaluation period. An opinion of cost for this work is included in Table 2.

7.0 ACCESSIBILITY

Americans with Disabilities Act

As part of this assessment, a limited, visual, accessibility survey was conducted. The survey did not include taking measurements or counting accessibility elements. The scope of the survey was limited to determining the existence of architectural barriers or physical attributes of the subject property, which affect on-site parking, path of travel into and through public areas of the building, and elevators, as applicable. Furthermore, the scope of our survey includes only the federal requirements of the ADA; it is not intended to address state or local codes. Our observations were limited to the places of public accommodation on the subject property.

Survey Condition and Analysis

Based on current use, the subject property is a "public accommodation".

Parking areas that provide self-parking for tenants, customers and visitors must provide ADA-compliant parking spaces. The subject property provides 462 total parking spaces, including 11 accessible parking spaces, of which four are van-accessible spaces. The accessible parking spaces did not appear to be correctly configured and identified. Compliant signage at the front of the parking space was not provided at four accessible parking spaces.

Exterior routes from public transportation stops, accessible parking spaces, and public sidewalks at the subject property appeared to be generally accessible. Exterior entrances provided at the subject property appeared to be generally accessible, with the exception of possible excessive threshold height at the entrances to several retail and restaurant spaces.

Interior routes connecting all public areas within the subject building appeared to be generally accessible. Manhole covers in the walkway at the west of the building were noted to contain openings in excess of 1/2" diameter. Tactile warning panels do not appear to be compliant at the driveway to the street level parking garage. As this is likely within the municipal right of way, no cost is included in this report.

Public elevators within the subject building appeared to be generally accessible.

Toilet facilities in the building appeared to be generally accessible.

An opinion of cost for correction of non-accessible items is included in Table 1.

Design of the means of access is beyond the scope of this report.

Fair Housing Amendments Act

The Fair Housing Amendments Act of 1988 (FHAA) requirements cover buildings consisting of four or more dwelling units with first occupancy after March 13, 1991. If such buildings have one or more elevators, all dwelling units are covered by the Act; otherwise, in buildings without elevators, only ground floor dwelling units are covered by the Act. Townhouses are exempted from the Act. The Department of Housing and Urban Development (HUD) has published Final Design Guidelines (see Federal Register, 24 CFR, Vol. 56, No. 44, March 6, 1991, page 9497). The Act requires design and construction to meet the seven design requirements listed below.

1. An accessible building entrance on an accessible route that can be used by a person using a wheelchair must be provided.
2. Public and common use areas of the dwellings must be readily accessible to and usable by persons with disabilities.
3. Doors designed to allow passage into and within all premises, usable to a person in a wheelchair, must be provided.
4. An accessible route must be provided into and through the covered dwelling unit to allow passage by a person in a wheelchair.
5. All light switches, electrical outlets, thermostats and other environmental controls requiring access must be provided at accessible locations.
6. Bathroom walls must provide reinforcements to allow for later installation of grab bars and shower seats.
7. Kitchens and bathrooms must be designed to allow an individual in a wheelchair to maneuver about the space.

The subject property was first occupied after March 13, 1991; as such, it is required to comply with the provisions for new construction buildings under the FHAA.

The apartment buildings, dwelling units, and interiors do not meet the requirements as follows:

- The swimming pool and spa at the subject property is not provided with an accessible means of access. A lift was not observed for either the swimming pool or spa.
- Add railings at exit stair, west side of building.

An opinion of cost for this work is included in Table 1.

8.0 SUSPECT WATER INTRUSION AND MICROBIAL GROWTH

As part of performing this PCA, visual observations for overt signs of suspect mold growth were also performed. These observations were not performed to discover all affected areas, nor were areas of the subject property observed specifically for the purpose of identifying areas of suspect mold growth. The subject property areas viewed were limited to those necessary to perform the primary scope of this PCA.

Survey Condition and Analysis

Visual or olfactory indications of significant suspect microbial growth were not observed.

9.0 NATURAL HAZARD INFORMATION

Partner reviewed readily-available materials to obtain the following information. Determination of site-specific conditions is not within the scope of this report and may require additional investigation.

9.1 Flood Zone

According to Flood Insurance Rate Map, Community Panel Number 06037C1935F, dated September 26, 2008, the subject property appears to be located in:

Zone X (unshaded); defined as minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains.

9.2 Seismic Zone

According to the seismic zone map, published in the Uniform Building Code 1997, Volume 2, Table 16.2, the subject property appears to be located in Seismic Zone 4.

10.0 OUT OF SCOPE CONSIDERATIONS

These following items are categorically excluded from the scope of work.

- Utilities: Operating conditions of any systems or accessing manholes or utility pits.
- Structural Frame and Building Envelope: Entering of crawl or confined space areas (however, the field observer will observe conditions to the extent easily visible from the point of access to the crawl or confined space areas), determination of previous substructure flooding or water penetration unless easily visible or if such information is provided.
- Roofs: Walking on pitched roofs, or any roof areas that appear to be unsafe, or roofs with no built-in access, or determining any roofing design criteria.
- Plumbing: Determining adequate pressure and flow rate, fixture unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground systems.
- Heating: Observation of flue connections, interiors of chimneys, flues or boiler stacks, or tenant owned or maintained equipment. Entering of plenum or confined space areas.
- Air conditioning & Ventilation: Process-related equipment or condition of tenant owned or maintained equipment. Entering of plenum or confined space areas. Testing or measurements of equipment or air flow.
- Electrical: Removing of electrical panel and device covers, except if removed by building staff, EMF issues, electrical testing, or operating any electrical devices. Opining on process related equipment or tenant-owned equipment.
- Vertical Transportation: Examining of cables, sheaves, controllers, motors, inspection tags, or entering elevator/ escalator pits or shafts.
- Life Safety/ Fire Protection: Determining NFPA hazard classifications, classifying, or testing fire rating of assemblies. Determination of the necessity for or the presence of fire areas, fire walls, fire barriers, paths of travel, construction groups or types, or use classifications.
- Interior Elements: Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations.

Activity Exclusions- These activities listed below generally are excluded from or otherwise represent limitations to the scope of a PCA prepared in accordance with this guide (ASTM 2018-15). These should not be construed as all-inclusive or imply that any exclusion not specifically identified is a PCA requirement under this guide.

- Providing opinions of costs that are either individually or in the aggregate less than a threshold amount of \$3,000 for like items unless specifically requested by the addressee.
- Identifying capital improvements, enhancements, or upgrades to building components, systems, or finishes;
- Removing, relocating, or repositioning of materials, ceiling, wall, or equipment panels, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or property, that obstruct access or visibility;
- Determining adequate pressure and flow rate, fixture-unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground drains;

- Determining NFPA hazard classifications, identifying, classifying, or testing fire rating of assemblies. Determination of the necessity for or the presence of fire areas, fire walls, fire barriers, accessible routes, construction groups or types, or use classifications;
- Preparing engineering calculations to determine any system's, component's or equipment's adequacy or compliance with any specific or commonly accepted design requirements or building codes, or preparing designs or specifications to remedy any physical deficiencies;
- Identification of code or OSHA compliance beyond what has been reported through communication with local regulatory offices.
- Taking measurements or quantities to establish or confirm any information provided by the owner or user;
- Reporting on the presence or absence of pests or insects;
- Reporting on the condition of subterranean or concealed conditions as well as items or systems that are not permanently installed or are tenant-owned and maintained;
- Entering or accessing any area deemed to potentially pose a threat of dangerous or adverse conditions with respect to the field observer's health or safety;
- Performing any procedure, that may damage or impair the physical integrity of the property, any system, or component;
- Providing an opinion on the operation of any system or component that is shut down;
- Evaluating the Sound Transmission Class or acoustical or insulating characteristics of systems or components;
- Providing an opinion on matters regarding security and protection of occupants or users from unauthorized access;
- Evaluating the flammability of materials and related regulations;
- Providing an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access;
- Operating or witnessing the operation of lighting or any other system controlled by a timer, operated by the maintenance staff, or operated by service companies;
- Providing an environmental assessment or opinion on the presence of any environmental issues such as potable water quality, asbestos, hazardous wastes, toxic materials, the location and presence of designated wetlands, IAQ, etc. unless specifically defined within the agreed scope;
- Evaluating systems or components that require specialized knowledge or equipment;
- Entering of plenum or confined space areas.

11.0 LIMITATIONS

This assessment is based upon the guidelines set forth by the ASTM Standard current to the issuance of this report and subject to the limitations stated therein. Our review of the subject property consisted of a visual assessment of the site, the structure(s) and the accessible interior spaces. Any technical analyses made are based on the appearance of the improvements at the time of this assessment and the evaluator's judgment of the physical condition of the subject property components, their ages and their EUL. Consequently, this report represents the condition of the subject property at the time of observation. Acceptance and use of this report infers acknowledgment that the condition of the property may have changed subsequent to site observations and/or that additional information may have been discovered, and that Partner, its officers, employees, vendors, successors or assigns, are not liable for changes in the condition of the property, failures in property components or systems, and damages that may occur as a result of the changes or failures.

Information regarding the subject property is obtained from a site walk-through survey, local government agency records review, interviews and client-, tenant- or property owner-provided documents. No material sampling, invasive or destructive investigations, equipment or system testing was performed. The observations and related comments within this report are limited in nature and should not be inferred as a full and comprehensive survey of the building components and systems.

Information regarding operations, conditions, and test data provided by the Addressee, property owner, or their respective representatives has been assumed to be factual and complete. Information obtained from readily-available sources, including internet research and interview of municipal officials or representatives is assumed to be factual and complete. No warranty is expressed or implied, except that the services rendered have been performed in accordance with generally-accepted practices applicable at the time and location of the study.

The actual performance of systems and components may vary from a reasonably expected standard and will be affected by circumstances that occur after the date of the evaluation. This assessment, analyses and opinions expressed within this report are not representations regarding either the design integrity or the structural soundness of the project.

The report does not identify minor, inexpensive repairs or maintenance items, which should be part of the subject property owner's current operating budget so long as these items appear to be addressed on a regular basis. The report does identify infrequently occurring maintenance items of significant cost, such as exterior painting, roofing, deferred maintenance and repairs and replacements that normally involve major expense or outside contracting.

The assessment of the roof, façade and substructure contained herein cannot specifically state that these items are free of leaks and/or water intrusion and should not be interpreted as such. Comments made with respect to the condition of the systems are limited to visual observation and information provided by the designated site contacts and/or on-site representatives and their contractors/vendors. The evaluation of these systems did not include any sampling and/or testing. A more extensive evaluation may be required if a comprehensive report on the condition of these systems is required.

Performance of a comprehensive building, fire or zoning code review is outside of the scope of work for this report. Information provided within this report is based on readily-available information or interview of municipal officials.

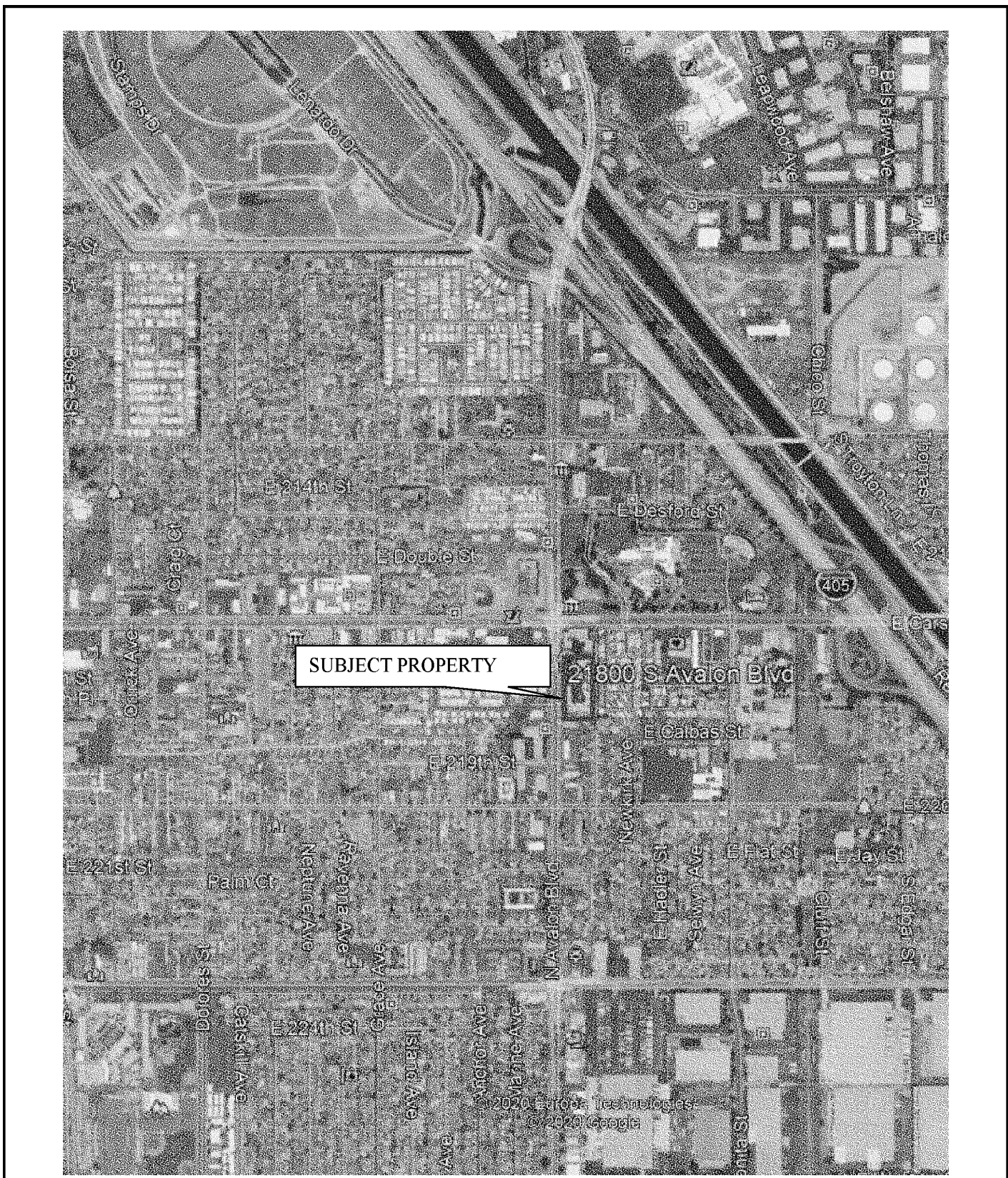
This report presents an evaluation of the accessibility of the subject property as specified in the engagement agreement. This report does not present an audit of all components specified in federal, state or local accessibility regulations. Instead, this review observed general design components such as routes of travel, door hardware, plumbing amenities, elevator controls and signals, basic emergency alarm components and signage. This report is not a comprehensive Americans with Disabilities Act review.

FIGURES

1. SITE LOCATION MAP

2. SITE PLAN

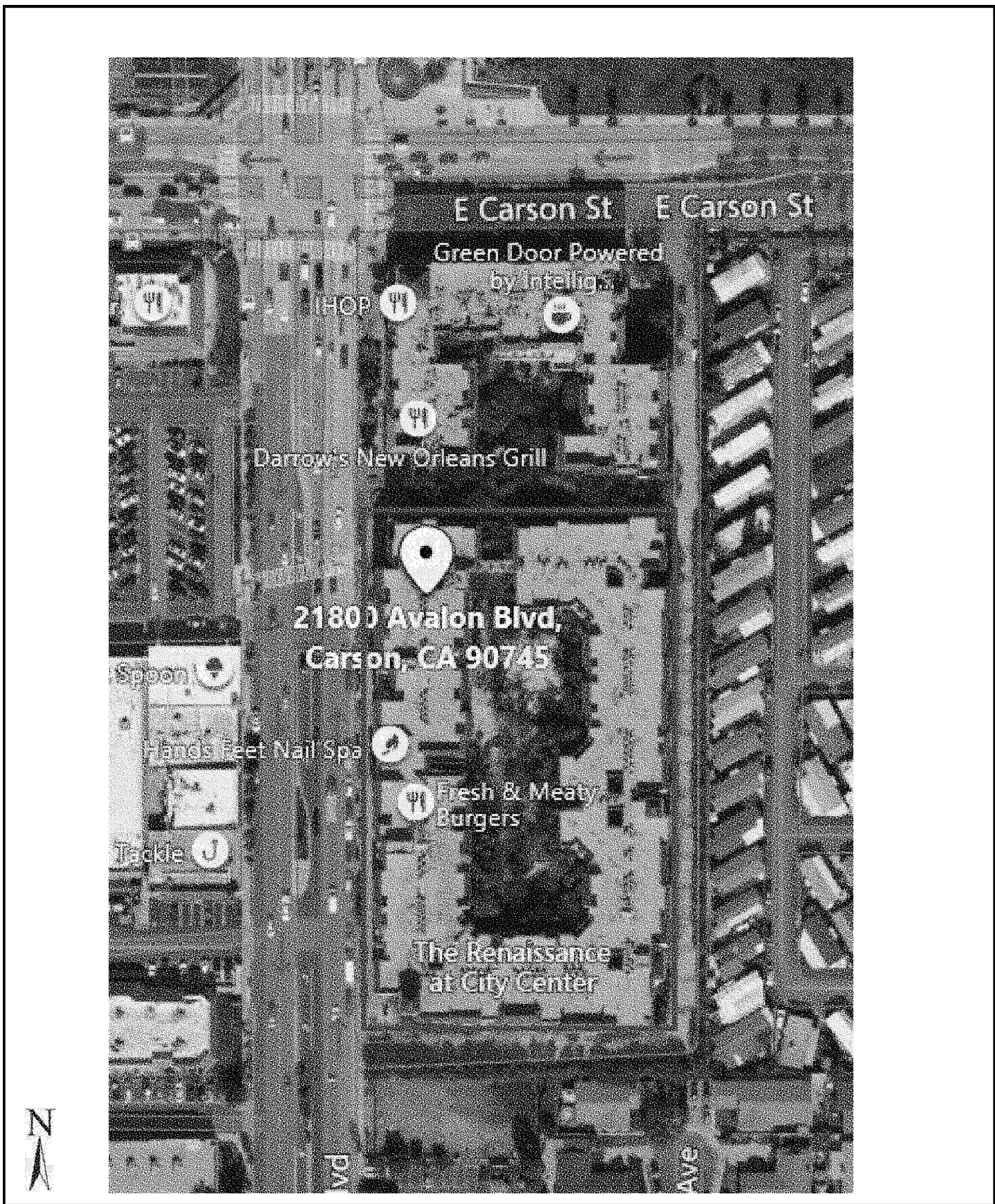
PARTNER



KEY:
 Subject Property 

FIGURE 1: SITE LOCATION MAP
 Project No. 20-297140.2





KEY:
Subject Property 

FIGURE 2: SITE PLAN
Project No. 20-297140.2

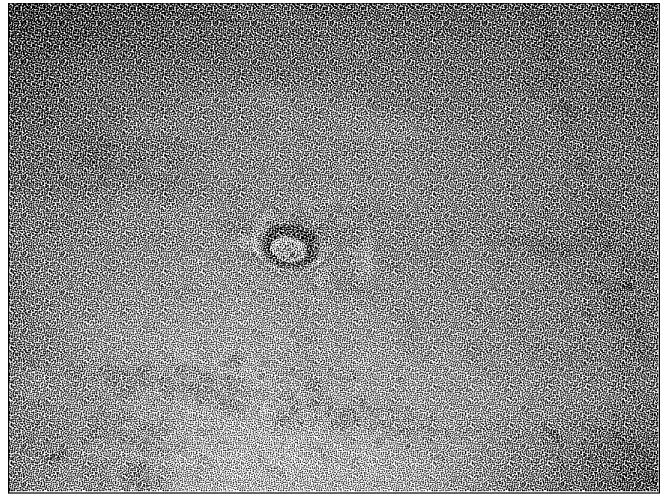
PARTNER

APPENDIX A: SITE PHOTOGRAPHS

PARTNER



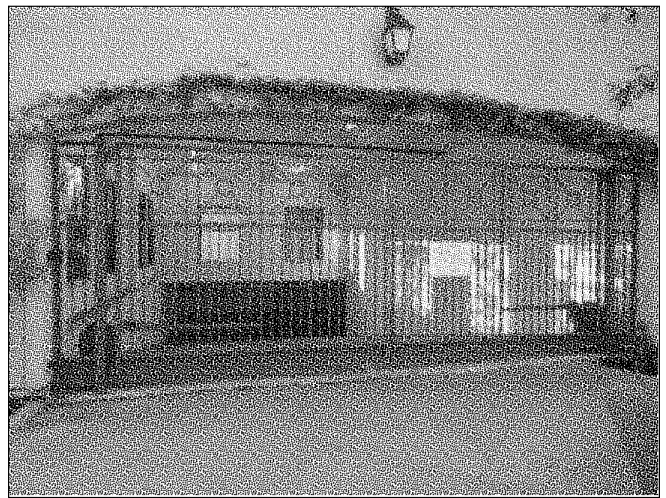
1. Curb and gutter with drain inlet



2. Area drain at parking garage



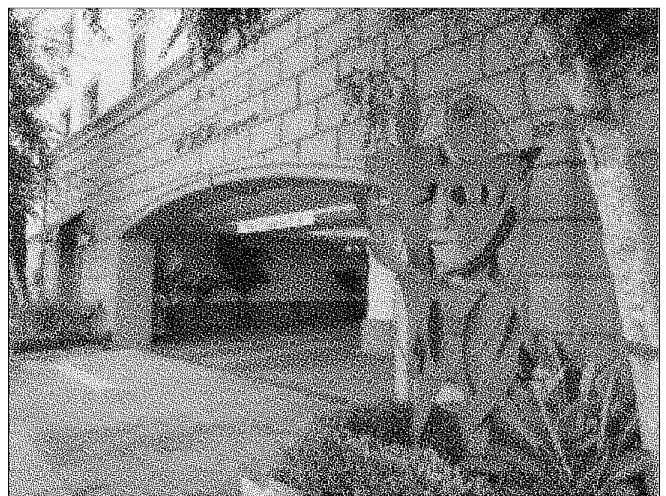
3. Roof overflow drain and downspout discharge



4. Gates at lower level garage exit



5. Entry and exit gates for lower level garage



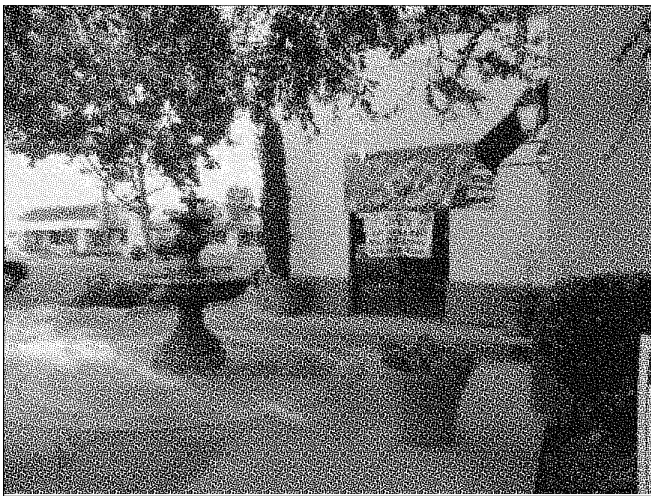
6. Primary entrance and exit for street level parking garage



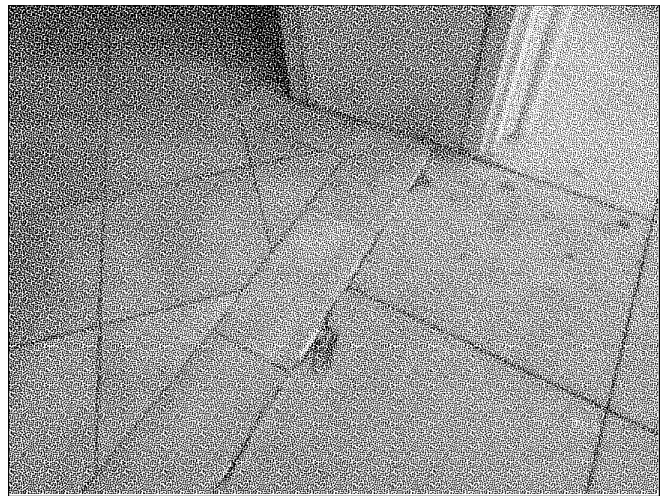
7. Concrete paving at service drive east of the building



8. Concrete curb and paving



9. Pedestrian plaza at north west corner of site



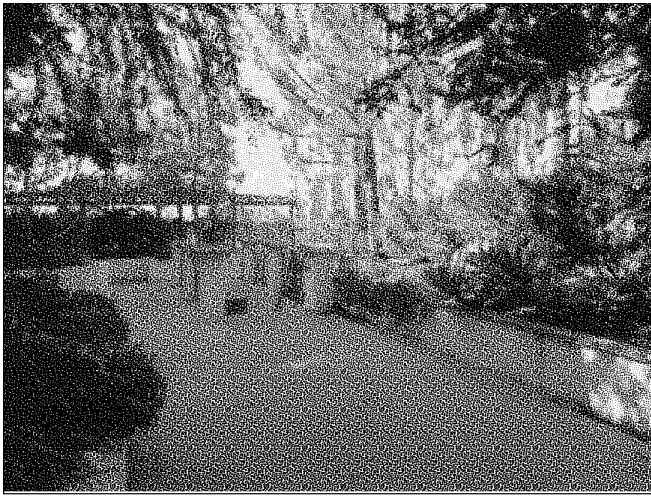
10. Pedestrian entry paving at primary entrance



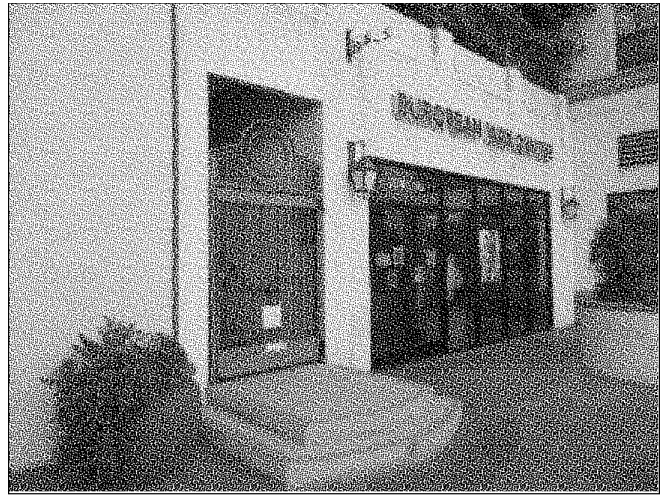
11. Sidewalk at primary vehicular entrance to street level garage parking



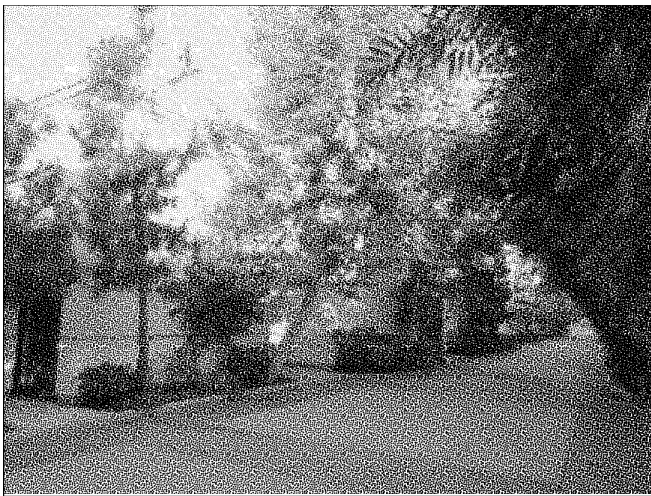
12. Damaged paving at swimming pool and spa



13. Representative paving at courtyard



14. Steps at exit stairs, west side of the building



15. Landscaping at service drive east of the building



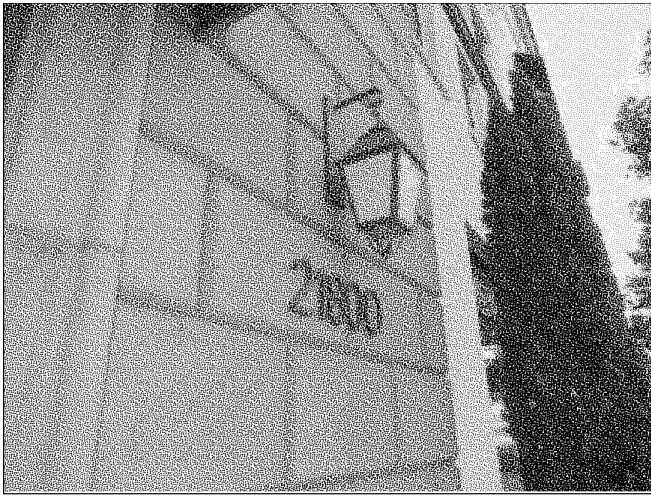
16. Representative landscaping at the courtyard



17. Low retaining wall at south edge of property



18. Low retaining planter walls at the courtyard



19. Building address signage at main entry



20. Building signage at main pedestrian entry



21. Representative tenant signage at retail area



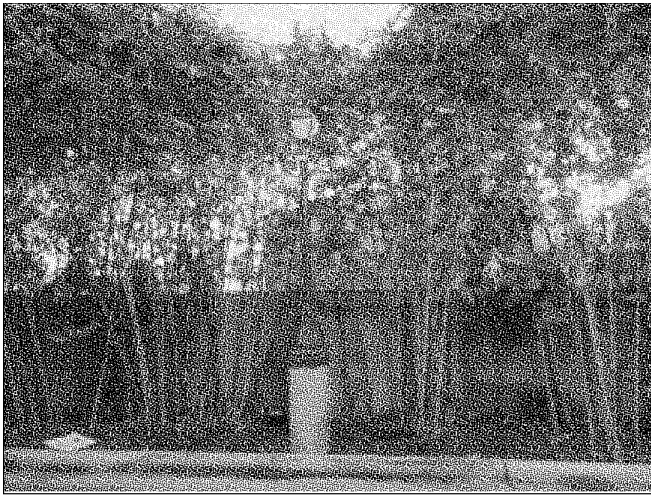
22. CMU perimeter wall at east side of property



23. Painted steel gates at parking garage exit



24. Fencing and railings at pedestrian exit from courtyard



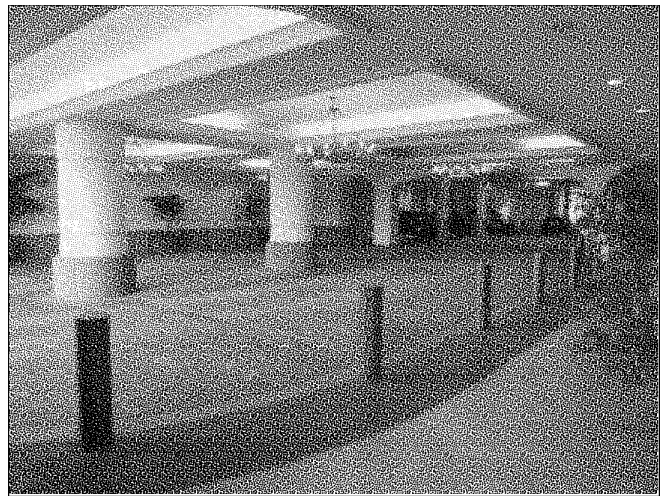
25. Pole light at east edge of property



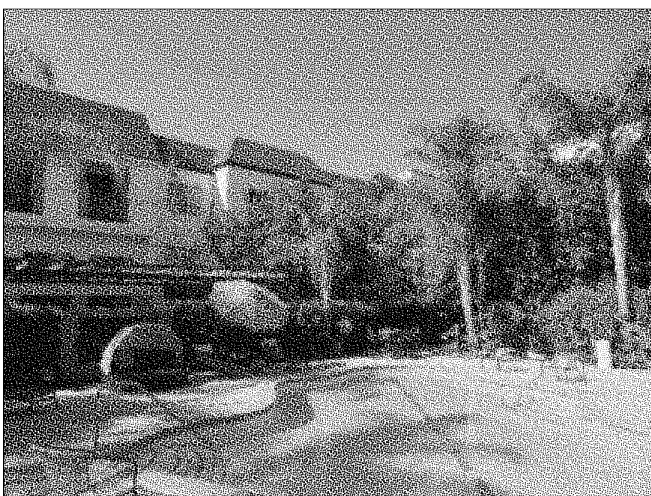
26. Pole lighting at the courtyard



27. Surface mounted lighting at parking garage



28. Decorative pendant lighting at parking garage entrance



29. Swimming pool and spa at the courtyard



30. Barbeque and outdoor dining area



31. Outdoor seating area with water feature



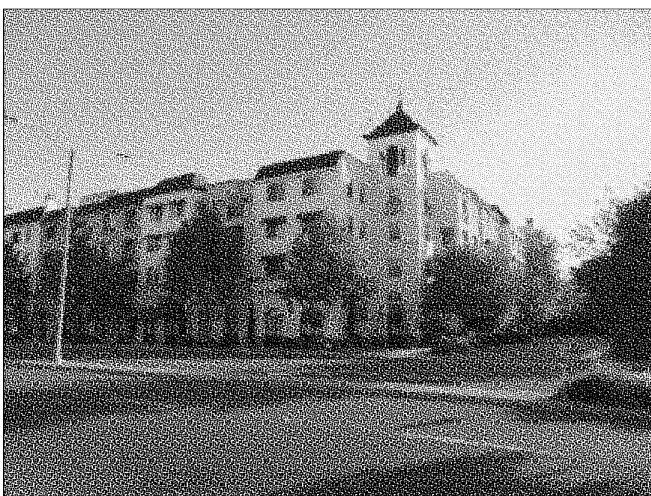
32. Partial east elevation



33. Partial south elevation



34. Partial west elevation



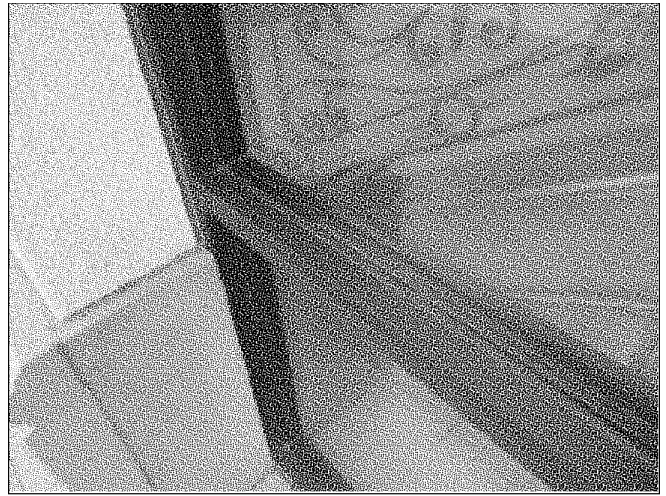
35. Partial west and south elevations



36. Partial north and west elevations



37. Aluminum framed storefront windows at street level



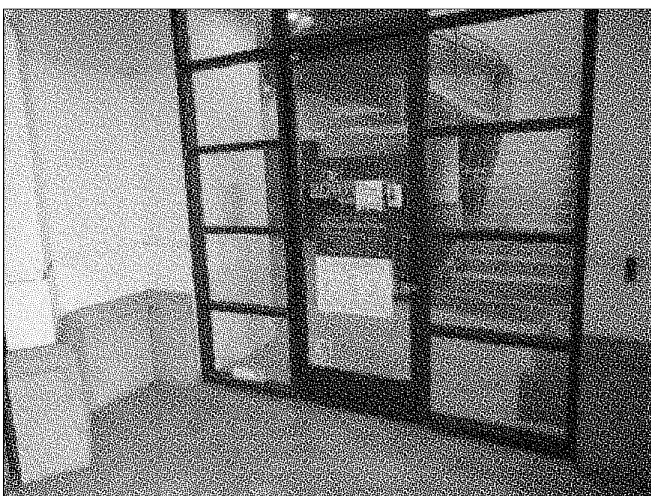
38. Gaskets with minor displacement at storefront windows



39. Representative residential sliding window



40. Aluminum framed storefront door at street level



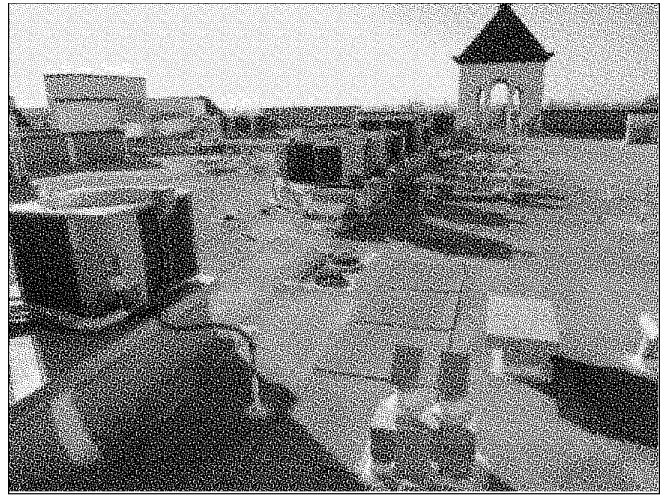
41. Aluminum storefront door at primary entry to residential lobby



42. Unit entry door and pantry cabinet doors



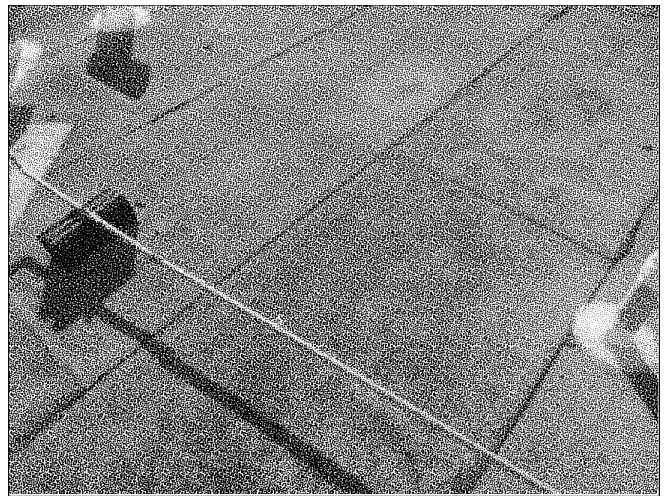
43. Primary roof parapet wall with painted metal cap



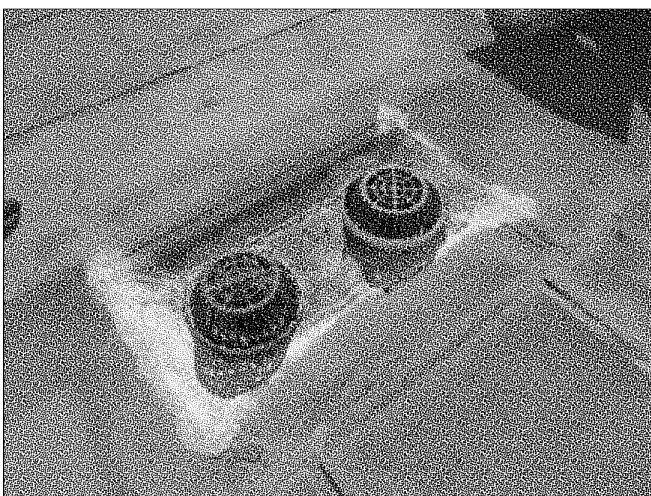
44. Low-slope built-up asphaltic roof with mineral cap sheet



45. Pitched accent roof with asphalt shingles



46. Roof cap sheet with missing aggregate



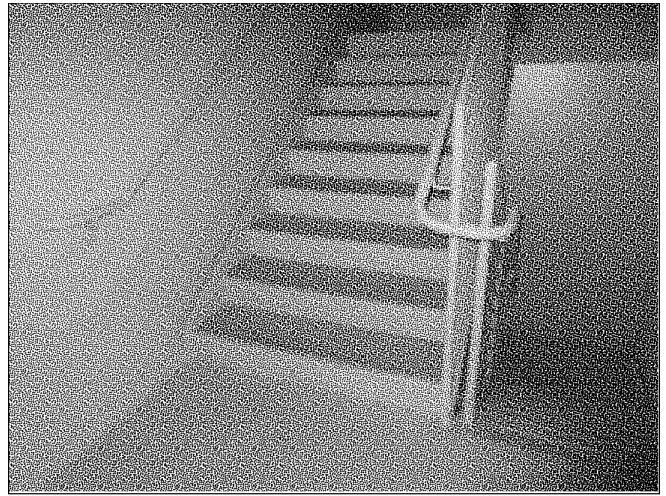
47. Primary and overflow roof drains in sump



48. Blister at low-slope roof



49. Painted metal gutter at pitched roof



50. Interior egress stairs at the apartment building



51. Decorative stairs at residential lobby



52. Exterior stairs and gate at pool area



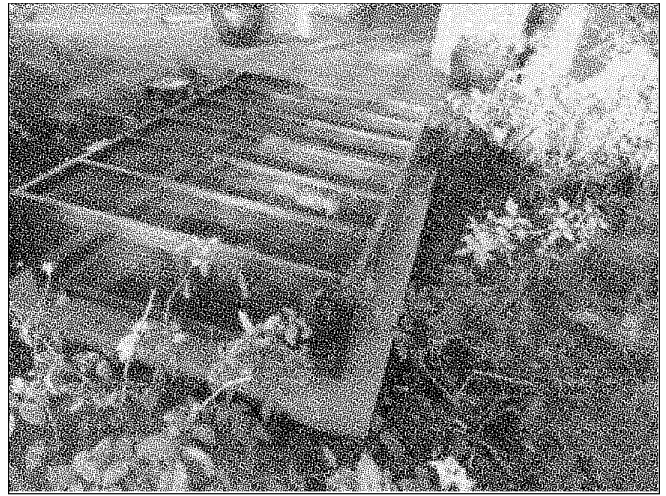
53. Steel framed concrete filled steel pan stairs from courtyard to street level



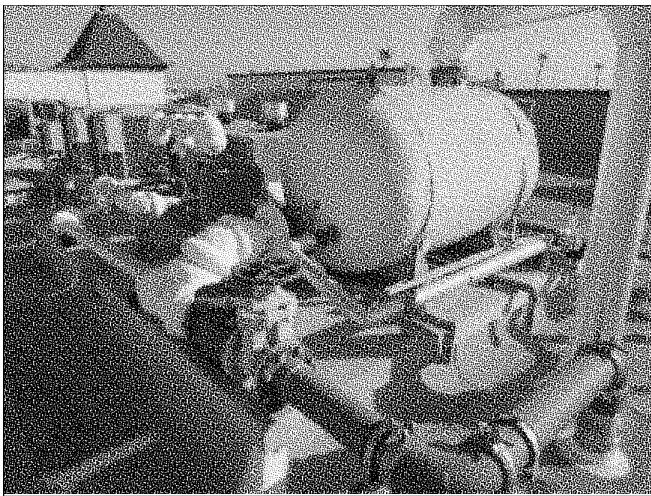
54. Fourth-floor common balcony



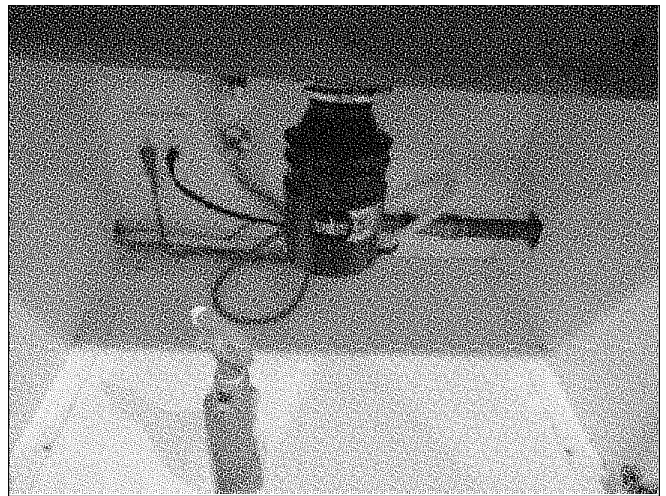
55. Representative residential balcony



56. Domestic water supply piping



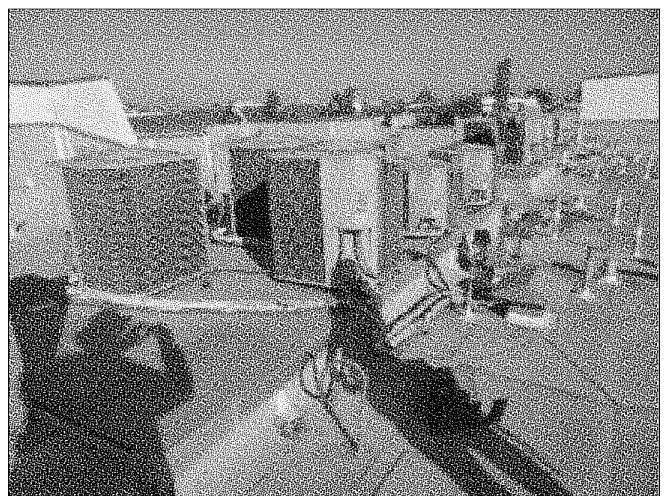
57. Rooftop domestic water boiler with storage tank



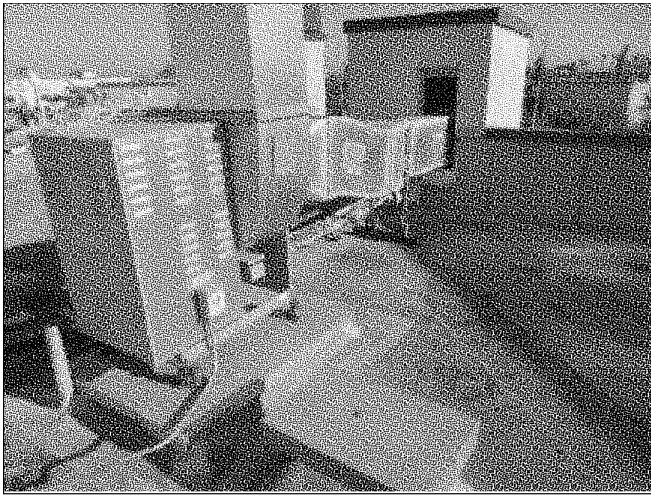
58. Piping and garbage disposal below kitchen sink



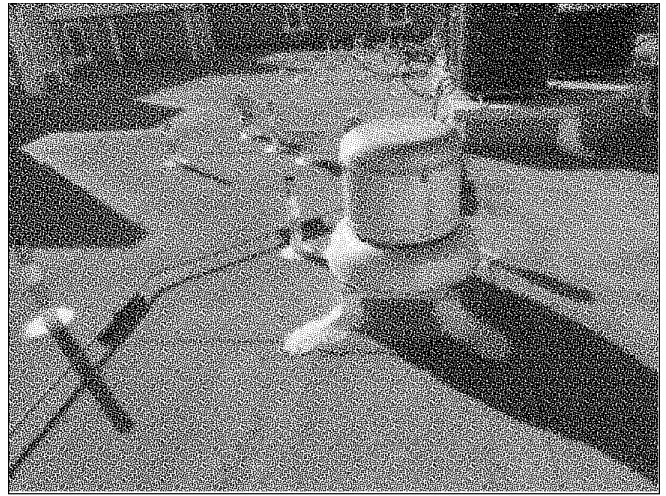
59. Drain and water supply piping for units above in the parking garage



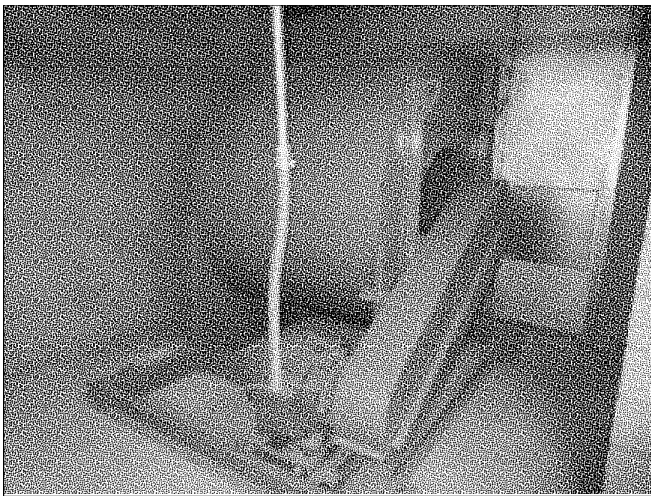
60. Compressors for air conditioners



61. Exhaust fan for restaurant tenant



62. Exhaust fan for common areas



63. Parking garage exhaust fan



64. Carbon monoxide sensor for garage ventilation



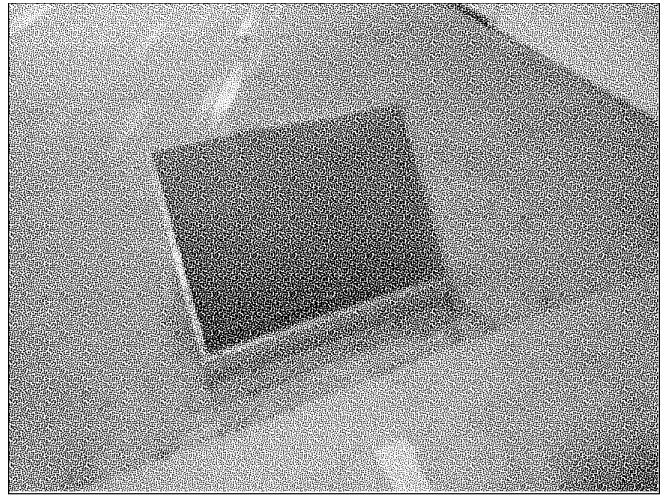
65. Exhaust fan at unit bathroom



66. Microwave with ventilation above range



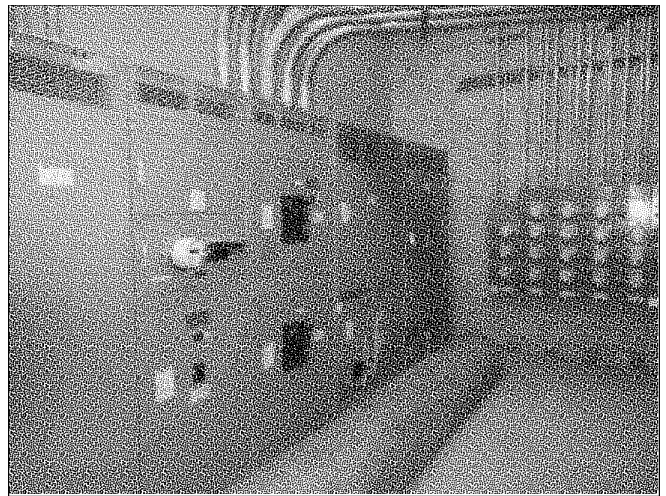
67. Gas meters for residential units



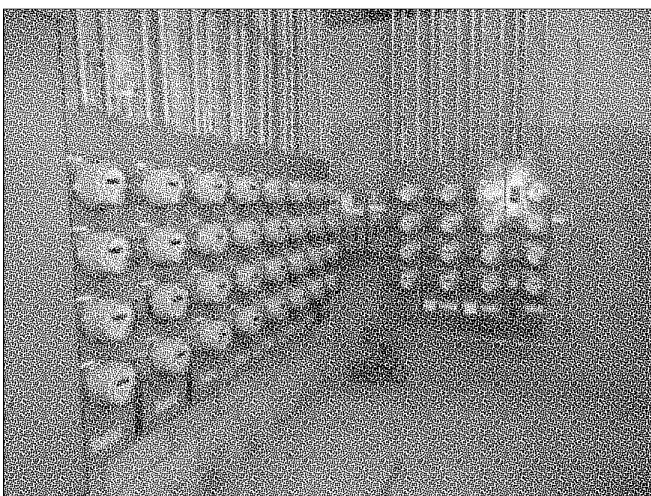
68. Ventilation for lower level of the parking garage



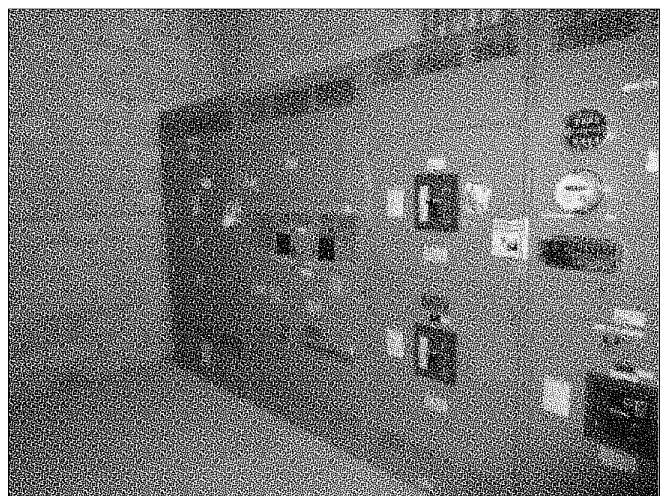
69. Kitchen exhaust duct in parking garage



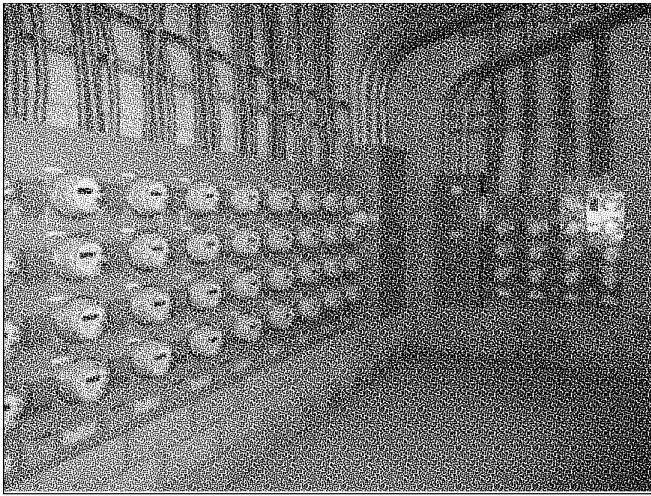
70. Switchgear at the south electrical room



71. Electrical meters at the south electrical room



72. Switchgear at the north electrical room



73. Electrical meters at the north electrical room



74. Pad mounted utility transformer outside south electrical room



75. Pad mounted utility transformer outside north electrical room



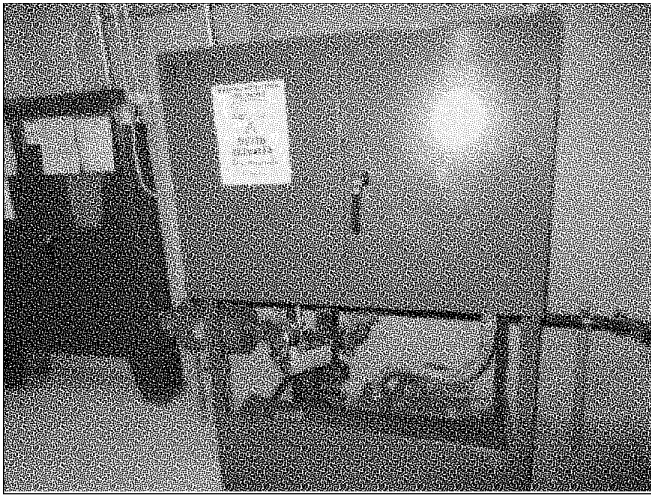
76. Battery inverters at electrical room



77. Elevator controls



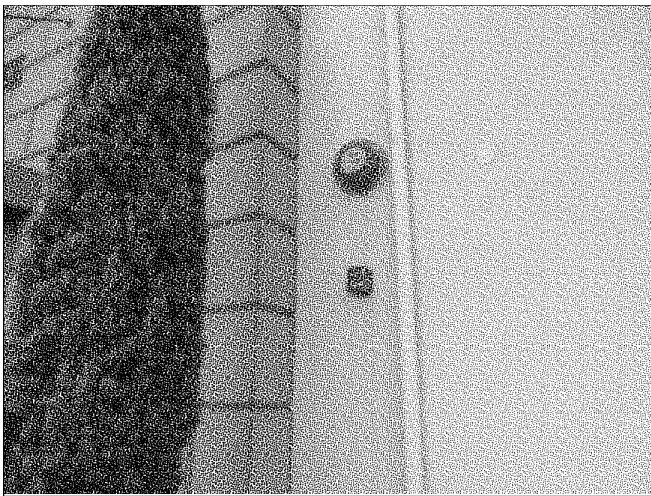
78. Elevator cab finishes



79. Hydraulic elevator equipment



80. Elevator lobby at the fourth floor



81. Fire alarm bell at main residential entry



82. Fire department connection at main residential entry



83. Fire supply with backflow preventor



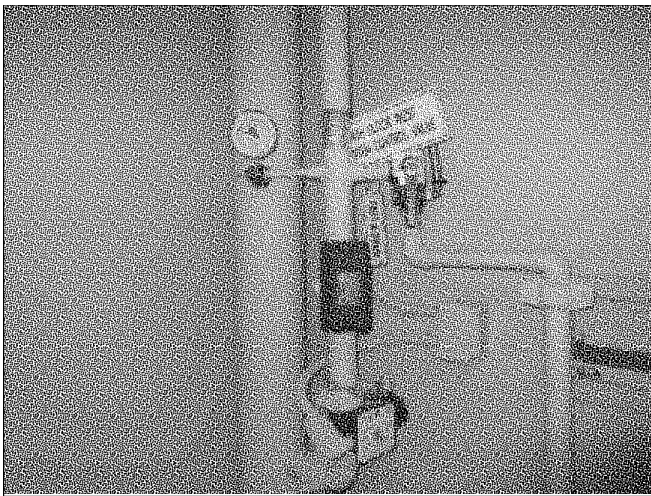
84. PIV east of the building



85. Fire sprinkler piping at the parking garage



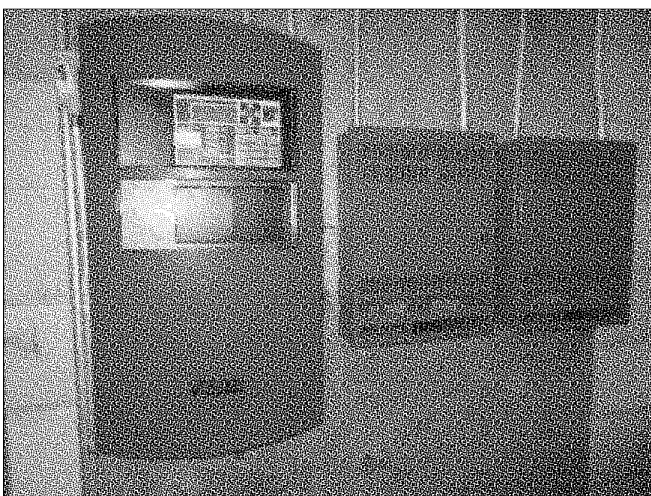
86. Fire sprinkler riser



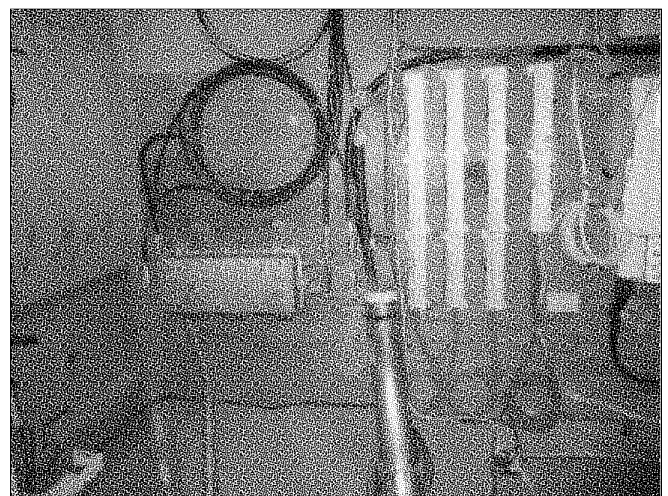
87. Fire sprinkler standpipe at stairwell



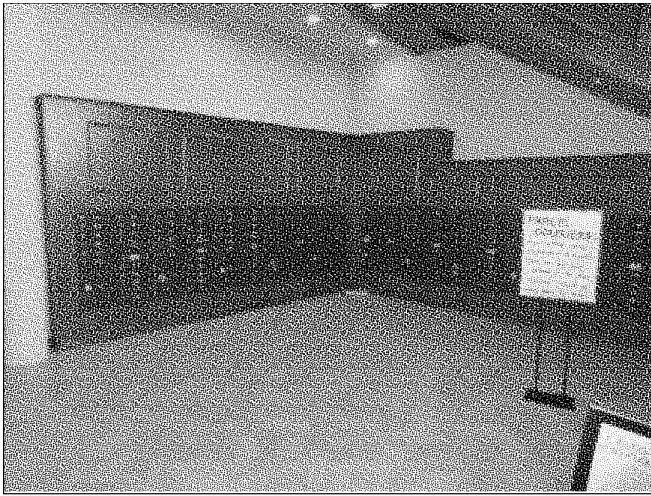
88. Inspection tag at fire sprinkler riser



89. Fire alarm control panel



90. Communication equipment in mechanical room



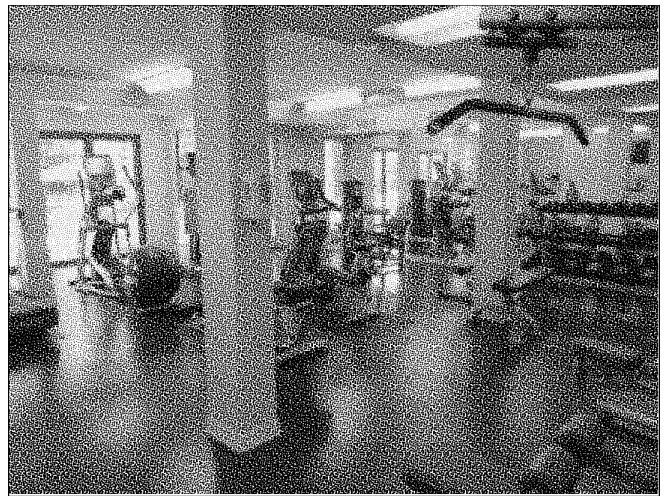
91. Mail room at street level lobby



92. Card room



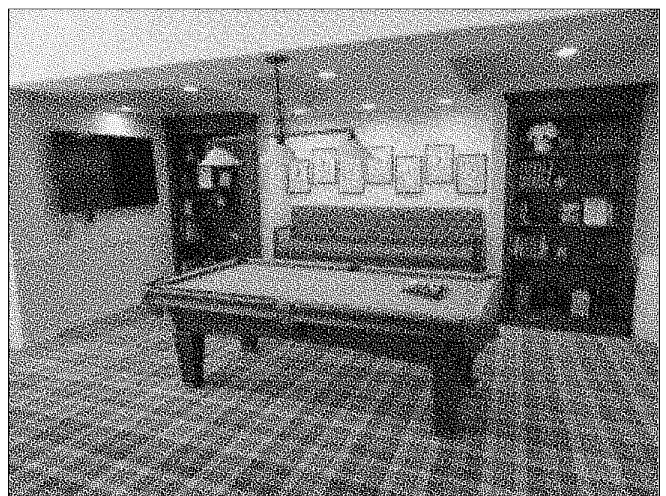
93. Fourth floor elevator lobby



94. Fitness center



95. Community room fireplace



96. Community room billiards area



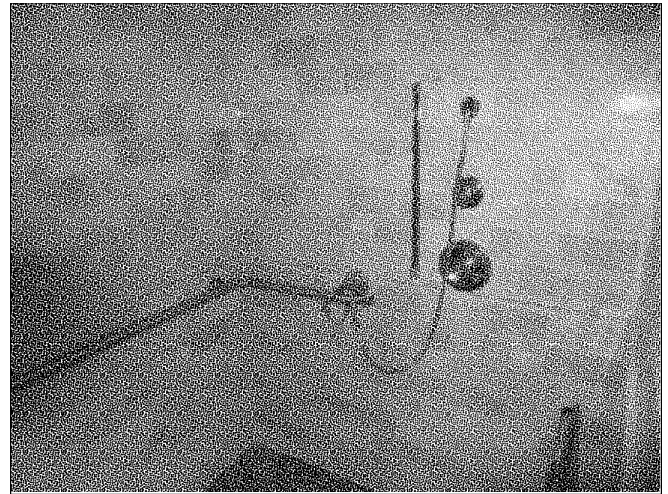
97. Community room kitchen



98. Game room



99. Movie screening room



100. Restroom and showers at the pool area



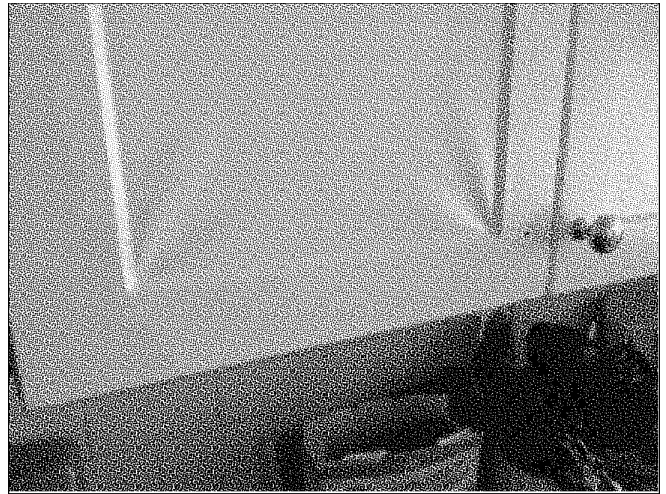
101. Representative unit kitchen



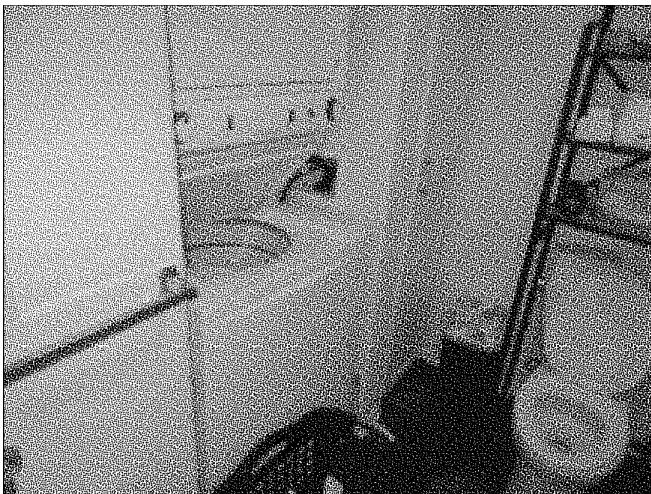
102. Representative unit bathroom



103. Representative unit living room



104. Delaminating kitchen cabinet door face



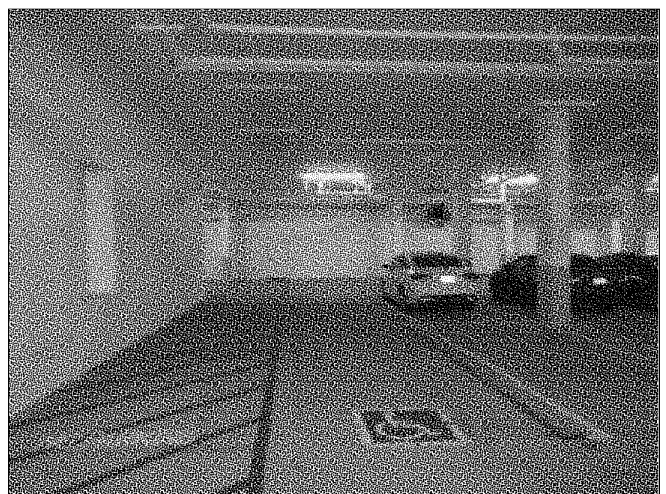
105. Stacked washer and dryer



106. Electrical panel at unit



107. Accessible parking with signage at front of stall



108. Accessible parking without signage at front of stall



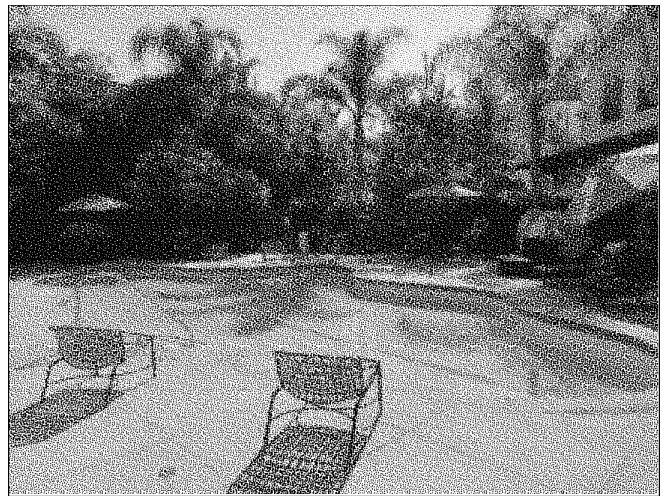
109. The threshold appears to exceed code allowable height at retail entrances



110. Detectable warning panels do not continue full width at the garage entry



111. Holes in manhole cover exceed 1/2" diameter



112. The swimming pool and spa appear to be non-accessible

APPENDIX B: SUPPORTING DOCUMENTATION

PARTNER

National Flood Hazard Layer FIRMette



118°16'8"W 33°50'4"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, A99
		With BFE or Depth Zone AE, AO, AH, VC, AR
		Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D

OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
OTHER AREAS		Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall

OTHER FEATURES		20.2 Cross Sections with 1% Annual Chance WaterSurface Elevation
		17.5 Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
OTHER FEATURES		Profile Baseline
		Hydrographic Feature

MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped

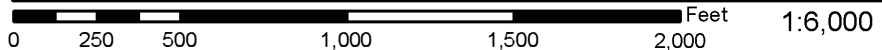


The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/5/2020 at 2:12 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



118°15'30"W 33°49'34"N

USGS The National Map, Orthoimagery Data refreshed October, 2020

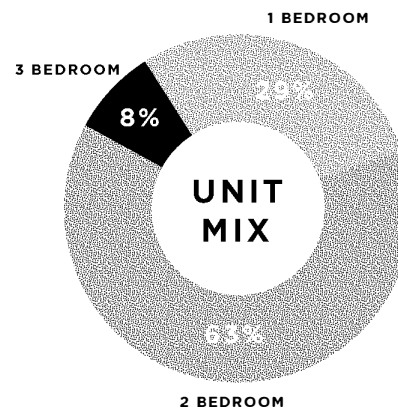
RENAISSANCE AT CITY CENTER

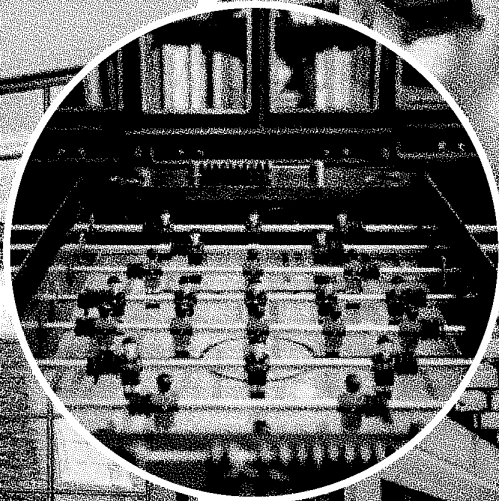
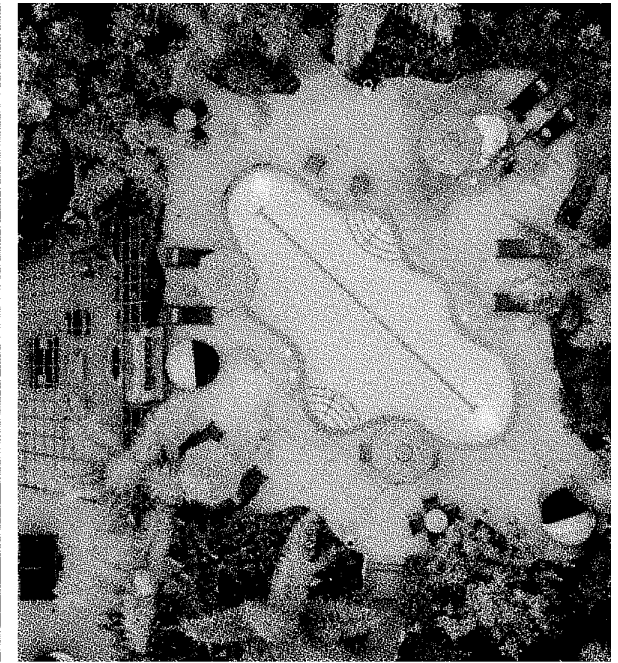
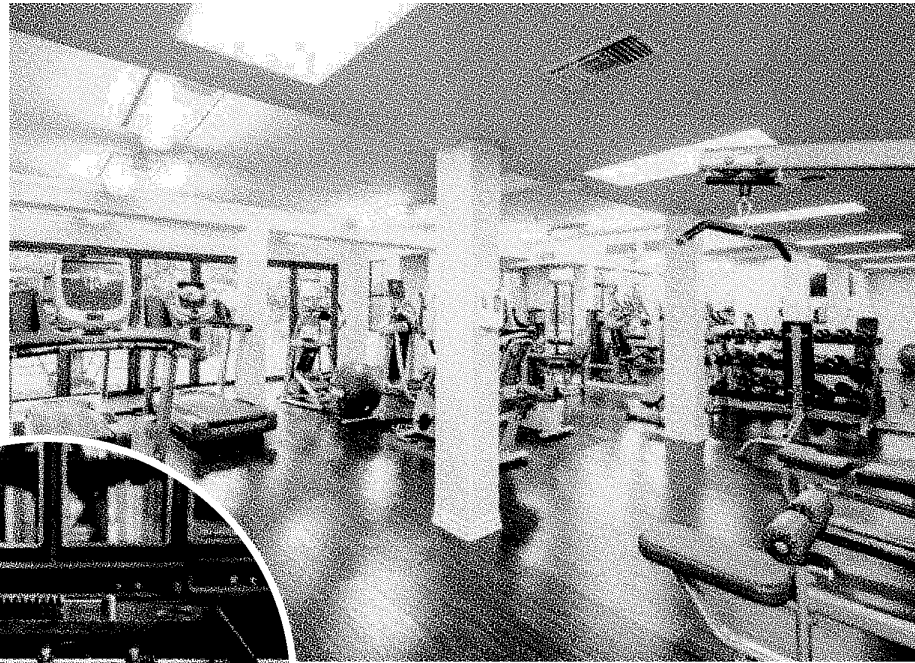
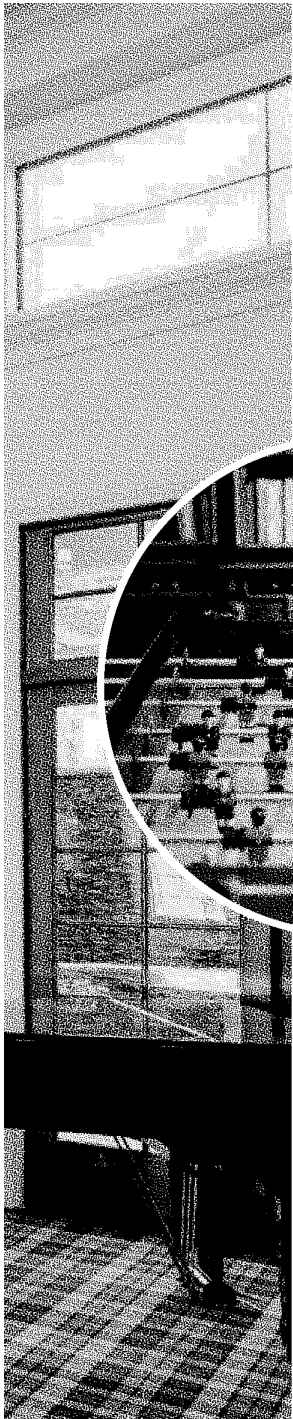
PROPERTY OVERVIEW

Constructed in 2013, The Renaissance at City Center is a mixed-use, four story community comprised of 150 luxury apartment homes and 12,706 sf of retail space located on 2.94 acres in the South Bay city of Carson, CA. The Property offers nine unique floor plans across a mix of one, two- and three-bedroom layouts and eight ground floor retail suites ranging from 975 sf to 3,718 sf, which are occupied by a variety of local retailers and boutique shops. The apartment homes feature in-home washer/dryers, stainless steel appliances, quartz countertops, vinyl plank flooring, European-style cabinetry, and private patios or balconies.

The Renaissance at City Center also boasts a slate of desirable amenities, such as a pool and spa, a fireside lounge, a fitness center, a movie screening theater, a billiards lounge, a business center, a conference room, a BBQ grilling area, and outdoor recreation areas. The resort-style

community amenities provide tenants with an unmatched living experience and ensures that the Property is well positioned for years to come.





COMMUNITY AMENITIES

- Resort-Style Pool
- Spa
- Outdoor Fireside Lounge
- Fitness Center
- Movie Screening Room
- Community Room
- Billiards Lounge
- Game Room
- Business Center
- Subterranean Parking Garage

INTERIOR FINISHES

- Gourmet Kitchen
- Stainless Steel Appliances
- Quartz Countertops
- European-Style Cabinetry
- Energy Efficient Gas Range
- Full Tile Backsplash
- Breakfast Bar
- In-Home Washer & Dryer
- Full-Size Shower & Tub
- Private Patio/Balcony



PROPERTY OVERVIEW

PROPERTY DETAILS

Property Name:	The Renaissance at City Center
Property Address:	21800 Avalon Boulevard, Carson, CA 90745
Assessor's Parcel Number:	7332-001-054, -055, -056, -057, -058
Land Use:	Multifamily & Commercial
Zoning:	CAMU
Year Built:	2013

SITE DESCRIPTION

Number of Buildings:	1
Number of Stories:	4 Stories (Three Stories of Residential with Retail and Parking on the Ground Level) Over One Level of Subterranean Parking
Units:	150
Net Rentable SF:	138,249 SF Multifamily / 12,706 SF Ground Floor Retail
Lot Size (Acres):	2.94
Density:	51 DU/Acre
Storage:	71 Storage Units Available for Lease

UTILITIES

Water/Sewer:	Master Metered - California Water Company
Electricity:	Separately Metered - Southern California Edison
Trash:	Waste Management
Gas:	Separately Metered - Southern California Gas Company
Telephone/Internet/Cable:	Spectrum

CONSTRUCTION

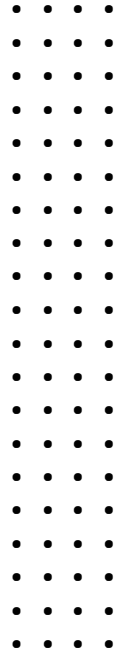
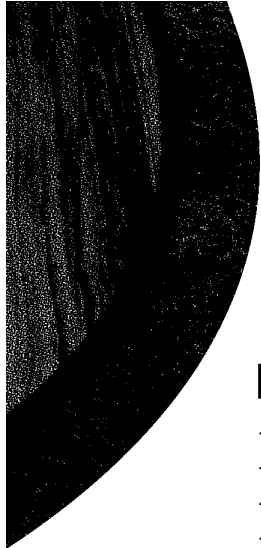
Framing:	Wood Frame
Exterior:	Stucco & Stone
Roof:	Flat, Shingled
Parking Surface:	Concrete
Topography:	Flat

MECHANICAL

HVAC:	Electrical HVAC, Individual Condenser/Coil Fans
Elevator:	Three (Two Side By Side in the Front Lobby, One Freight Elevator)
Fire Protection:	Fire Sprinklers in Each Unit, Smoke Detector Battery/Hard Wire, Fire Extinguishers in Common Areas
Plumbing:	Brass, Cast Iron, Copper
Wiring:	Copper

PARKING SUMMARY

Resident Parking:	299 (7 Reserved for ADA)
Retail Parking Spaces:	151 (1 Reserved for ADA)
Extra Leasable Spaces:	37 (Available for Lease)
Total Parking:	487





Easements, Joint Use Agreement, and CC&Rs

The Renaissance at City Center shares a joint use maintenance agreement, easements, and covenants, conditions, and restrictions with The Gateway at City Center, an age restricted affordable housing community located immediately to the north. Included below are some salient points of the agreements. The complete agreements can be found in the virtual deal room.

The documents define the three components involved in the agreement as:

NORTH RESIDENTIAL PARCEL to refer to The Gateway Multifamily Portion (Not Included in This Offering)

NORTH RETAIL PARCEL to refer to The Gateway Retail Portion (Not Included in This Offering)

SOUTH PARCEL to refer to The Renaissance at City Center (both Multifamily and Retail Portions)

THE RECIPROCAL EASEMENTS PROVIDE:

ACCESS

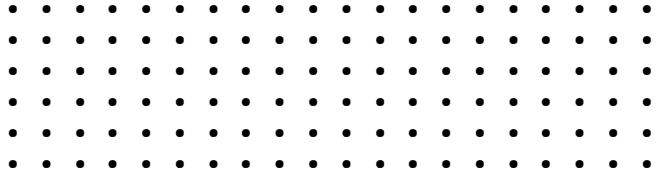
- Ingress and egress to all three components on both Carson Street and Avalon Blvd.
- Access to community areas including: drive entrances, street level plazas, communications room and utility systems necessary to operate each component.
- South and North Retail have an easement for reasonable access (vehicular and pedestrian) between North Residential Parking Structure and their respective parcel.

PARKING

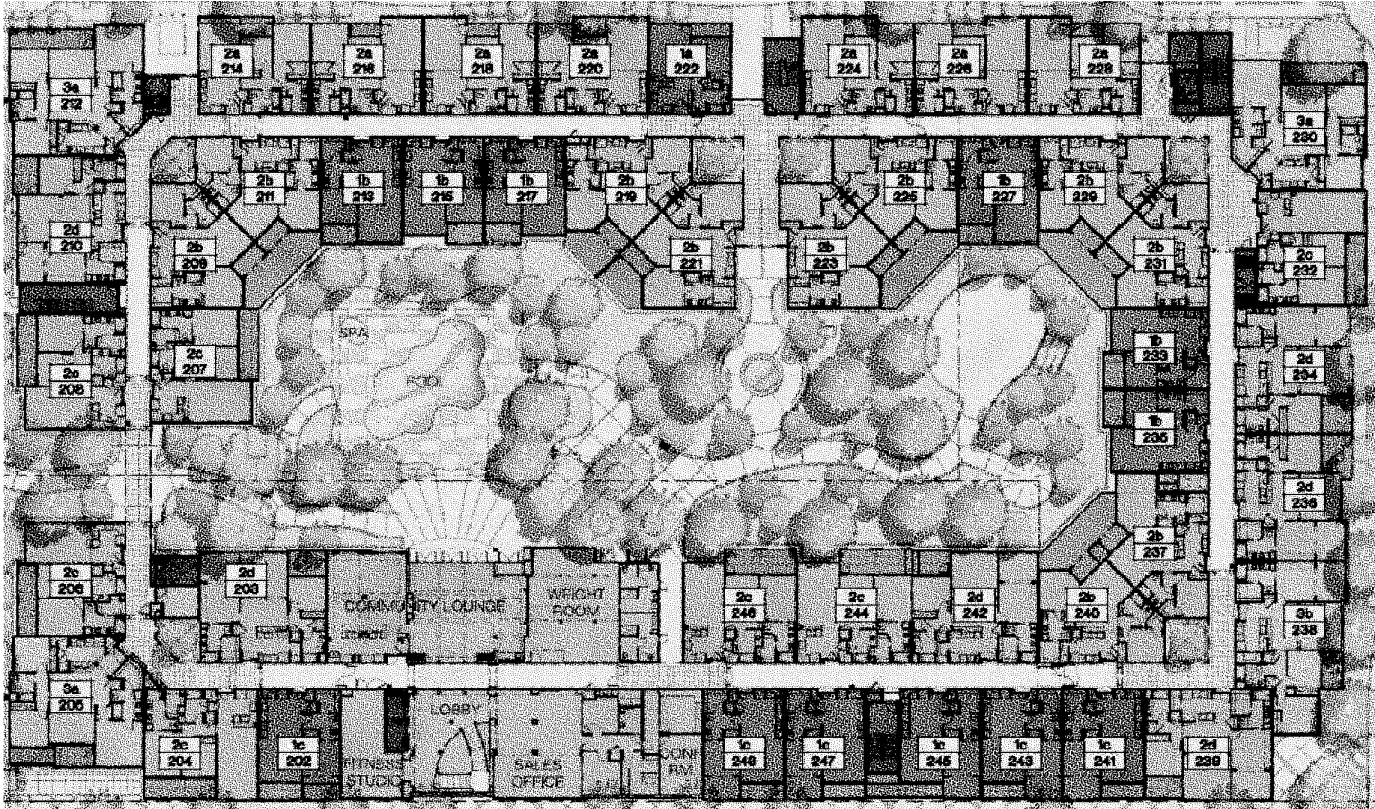
- There will be shared parking within the ground level garage between all components.

ADDITIONAL ITEMS

- Each Owner is responsible for operating and maintaining their own Parcel and Common Area.
- CC&R's include specific retail tenant restrictions for the retail spaces.
- Includes operating rules and regulations that all owners are to maintain their improvements in a good condition.
- Owner of the North Retail is the "Architecture Review Committee" to govern changes to improvements.

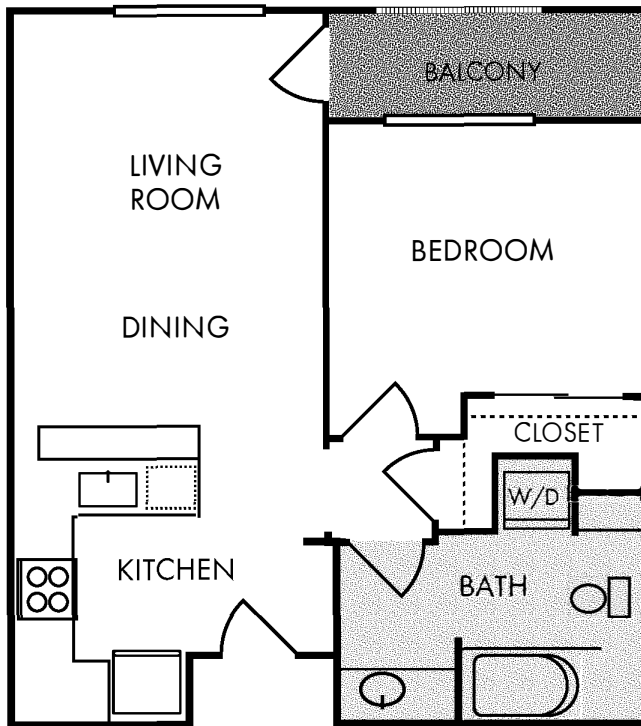


S I T E P L A N



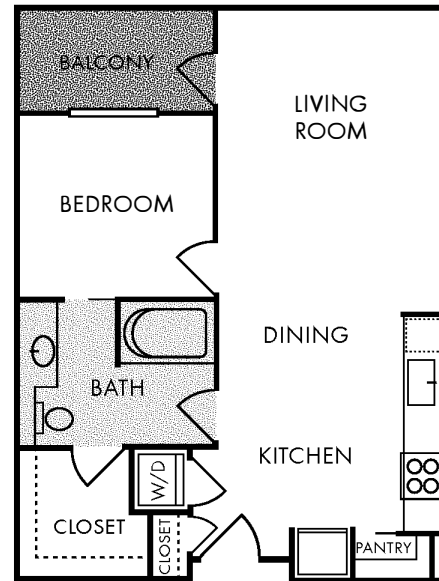
THE RENAISSANCE AT CITY CENTER

SELECT FLOOR PLANS
ONE BEDROOM LAYOUTS



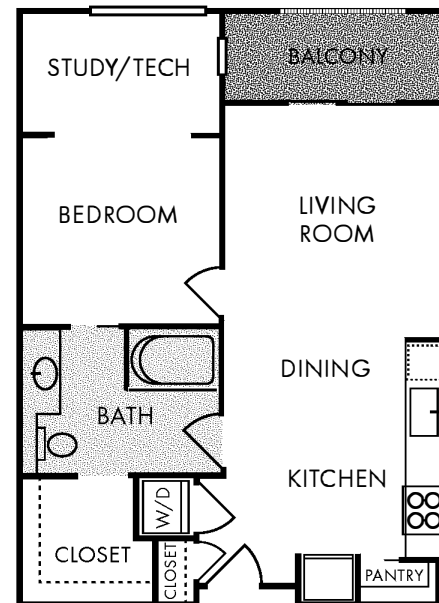
PLAN 1A

587 SF (3 Units)



PLAN 1B

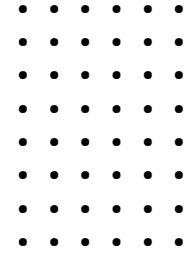
663 SF
(20 Units)



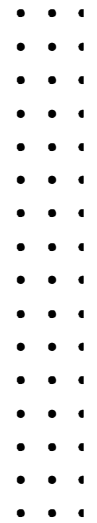
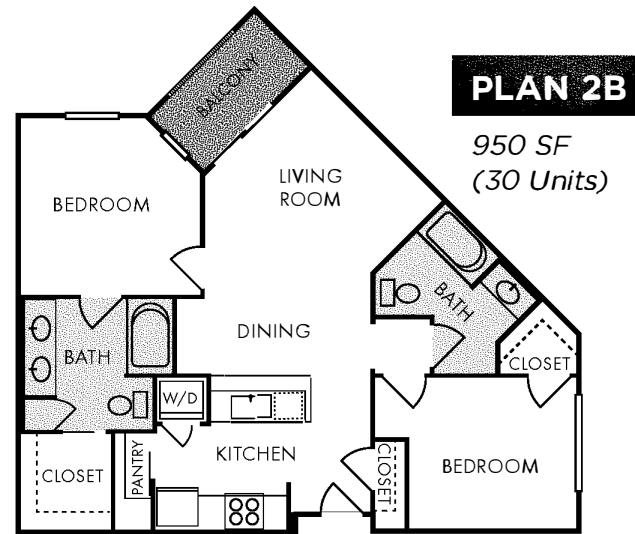
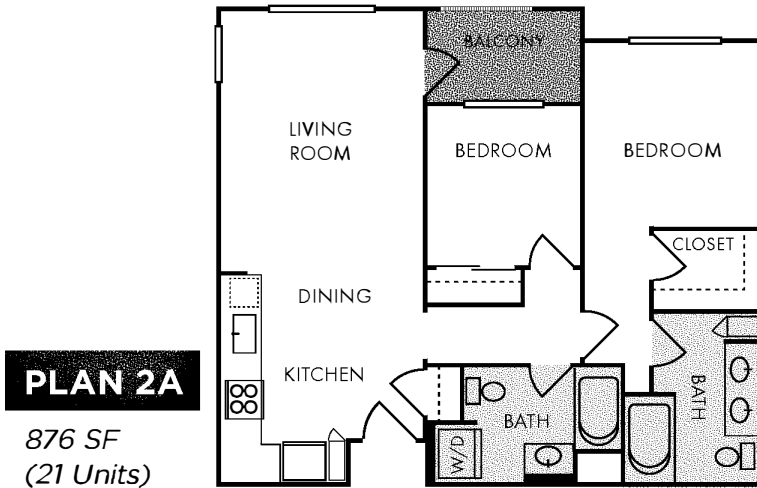
PLAN 1C

719 SF
(20 Units)

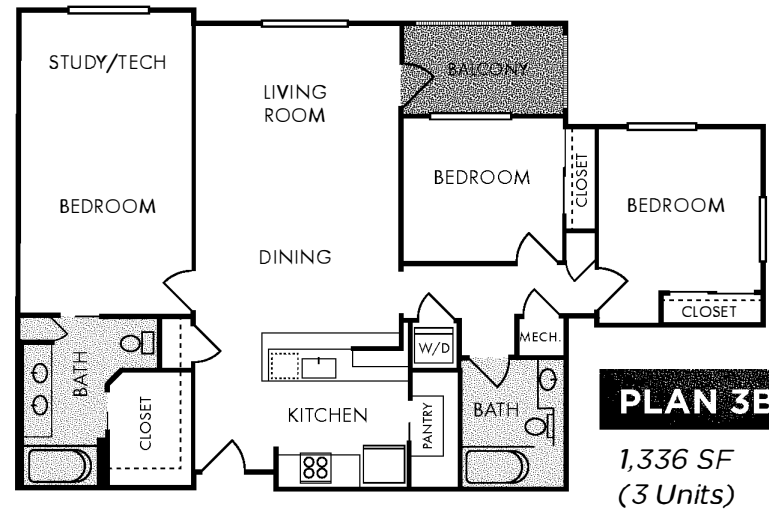
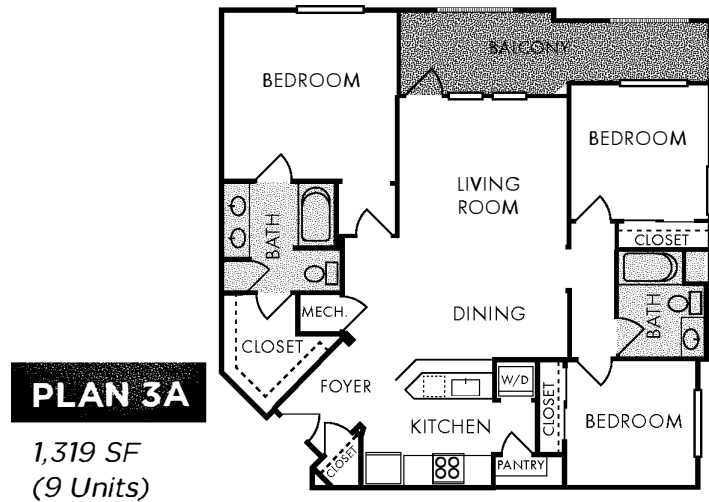
Note: All square footage and floor plans are approximate and subject to change.



TWO BEDROOM LAYOUTS

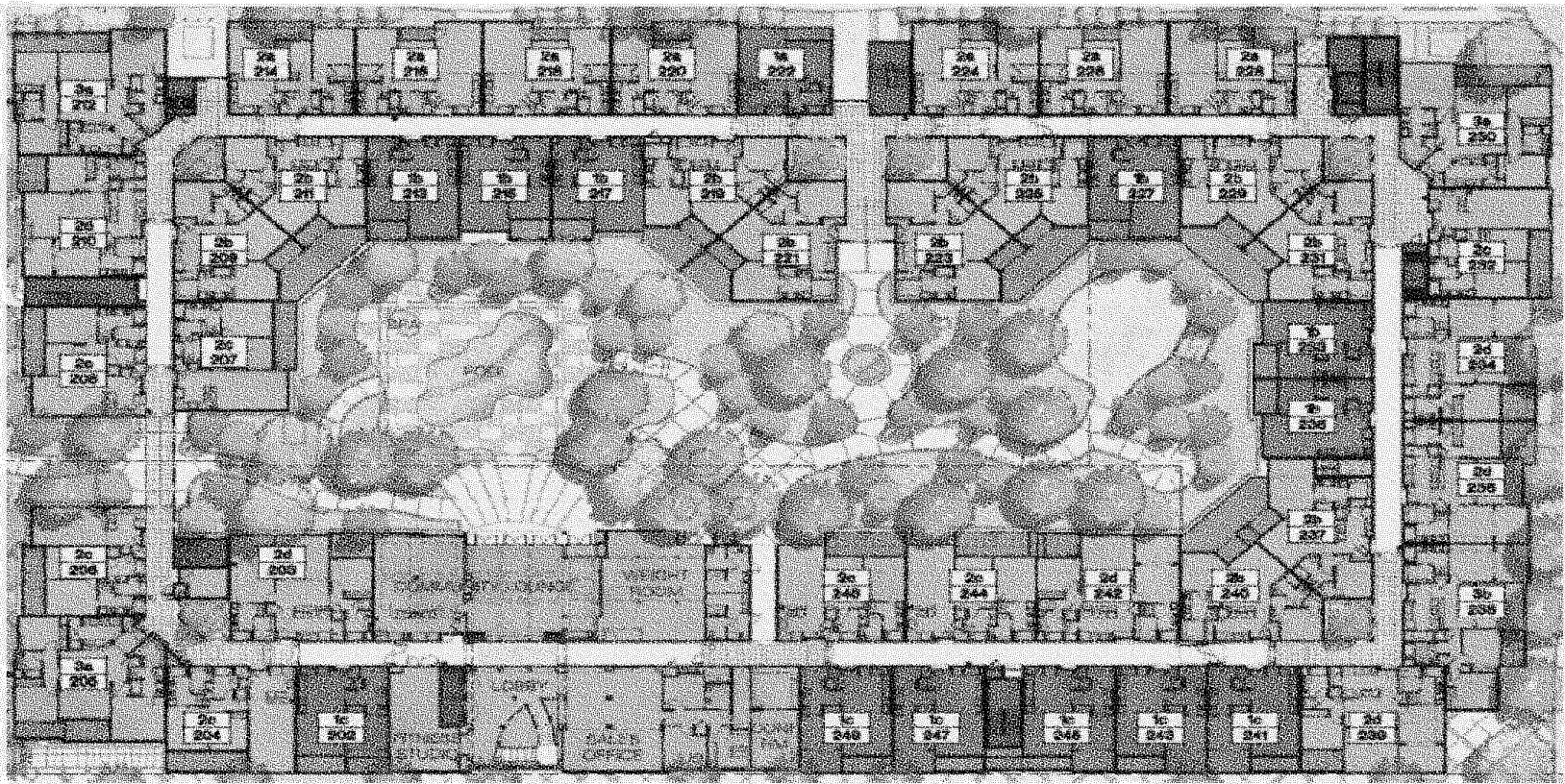



THREE BEDROOM LAYOUTS



Note: All square footage and floor plans are approximate and subject to change.

S I T E P L A N



KEY:
Subject Property 

PARTNER

APPENDIX C: QUALIFICATIONS

PARTNER

Education

Bachelor of Science, Architecture, California Polytechnic State University, San Luis Obispo, CA

Registrations

California Architectural license C14,787

NCARB registration

RRO certified

Training

California Safety Assessment Program trained and certified

Highlights

Over 40 years in the architecture profession

Experience performing equity property condition assessments and equity construction observation

Experience Summary

Mr. Milstead is a Senior Project Manager, performing property condition assessments for equity projects and observing construction projects for equity clients.

Project assessments have included military housing, aircraft construction hangars, movie and television studios, historic office buildings and numerous apartment properties. Construction observation has included office buildings, industrial buildings over 1,000,000 square feet, and multi-family projects ranging from 250 units to 1,200 units.

Prior to work on property condition assessments, Mr. Milstead designed numerous restaurants, retail centers, golf clubhouses, industrial buildings, and single and multi-family projects. Mr. Milstead was the lead designer and project architect for an 8,000 seat tennis stadium. Mr. Milstead has worked for several large and small architectural firms and was the principal of his own architectural practice.

Project Experience

Property condition assessments have included;

- Toyota, multiple building office and research campus
- Boeing, multiple office and research buildings, plus aircraft hangars
- The Hunt Company, multi-family military housing project at Camp Pendleton
- Wells Fargo, portfolio of office building throughout the southwest region
- Renaissance at City Center, 150-unit multi-family and retail property

Affiliations

Member, American Institute of Architects

Member, National Council of Architectural Review Boards

Certified Registered Roofing Observer by the IIBEC

Contact

rmilstead@partneresi.com

Education

Master of Architecture, Montana State University, Bozeman, MT
Bachelor of Architecture, Montana State University, Bozeman, MT

Registrations

Registered Architect, State of Oregon
Registered Architect, State of Montana

Training

Annual 18 Hours of Continuing Education in Health, Safety, and Welfare topics to fulfill AIA membership and state licensure requirements
Property Needs Assessment / Property Condition Assessment Training 2014 by Partner Engineering and Science, 8 Hour Course and Final Exam

Highlights

28 years of experience in the architecture and construction industry
25 years performing due diligence assessments
25 years performing historic structure assessments

Experience Summary

As a registered architect, Ms. Lohr serves as a Project Manager for Partner Engineering and Science Inc. (Partner) providing a high level of expertise in building science, architectural and consulting services for various clients. Ms. Lohr has significant experience conducting Property Condition Assessments, Historic Structure Assessments, and Construction Monitoring, in addition to performing quality assurance / quality control report reviews and project management.

Ms. Lohr has over 28 years of experience in the architectural and construction service industry. She has extensive experience in due diligence assessments for a variety of property types and the needs and requirements of various reporting standards including ASTM, Freddie Mac, Fannie Mae, ADA compliance, Secretary of the Interior's Standard for Rehabilitation, and customized client formats.

Ms. Lohr's vast experience has helped clients identify risks so they are able to make sound financial investments. Specific areas of due diligence expertise include:

- Equity and Debt Property Condition Assessments
- Historic Structure Assessments
- USDA Rural Development Condition Needs Assessments
- Historic Tax Credit Construction Monitoring
- Low Income Housing Tax Credit Assessments
- Freddie Mac, Fannie Mae, and other multi-family Physical Needs Assessments
- Equity and Debt technical report quality assurance / quality control report reviews
- Construction Owner's Representation and Construction Monitoring
- Property Condition Assessment portfolio coordination

Lynn Taylor Lohr, AIA

Ms. Lohr has provided architectural design, technical assistance, and consulting services to a number of clients, preparing numerous construction documents and specifications, assessment reports, and feasibility studies. Her roles as Architect of Record and project leader included providing project management, construction administration, design leadership, construction consultant coordination, project scheduling and pay application review, contract review, cost estimate tracking, and regulatory building code compliance.

Ms. Lohr's diversity across civic, historical, residential, and commercial environments is a major contribution to Partner Engineering and Science's team throughout the United States, The Netherlands and the United Kingdom.

Project Experience

Ms. Lohr has been involved with thousands of properties throughout the United States, including performing managing project teams, performing field work, preparing reports and opinion of capital cost budgets, and performing quality control.

Acquisition, Disposition, Lending, Refinance Property Condition Assessments

US Department of Agriculture, Rural Development Capital Needs Assessments, California and New Jersey. Ms. Lohr provided project management, technical report writing and technical reviews on numerous USDA RD pre-renovation and post-renovation Capital Needs Assessments.

Equity Commercial Property Condition Assessment Portfolio, United States. Ms. Lohr provided project management and quality assurance / quality control report reviews on multiple commercial properties. This acquisition portfolio included technical specialty consultants.

Freddie Mac and Fannie Mae Multi-Family Assessments, United States. Ms. Lohr has provided property assessments, project management and quality assurance / quality control report reviews on multitudes of Freddie Mac and Fannie Mae properties throughout the United States.

Historic Structure Assessment, South Broadway Buildings, Los Angeles, California. Ms. Lohr prepared Historic Structure Assessment reports for two properties located in the Historic Broadway Theater District. The reports were part of Partner's comprehensive work on the properties that included a Property Condition Assessment and Seismic Evaluation.

Commercial Property Condition Assessments, The Netherlands. Ms. Lohr provided quality assurance / quality control report reviews on multiple commercial properties in The Netherlands.

Construction Owner's Representation and Construction Services

1401 Howard Street Historic Tax Credit Construction Monitoring, San Francisco, California. Ms. Lohr conducted historic tax credit rehabilitation monitoring and progress reports at this San Francisco historic landmark. Renovations included seismic strengthening, interior and exterior restoration and rehabilitation in compliance with the National Park Service Federal Historic Preservation Tax Incentives program.

The Guild Lofts, Portland, Oregon. Owner's Representation

Lynn Taylor Lohr, AIA

Orchards at Orenco Phase One, Hillsboro, Oregon. Construction Monitoring Services

Historic Pacific Northwest College of Art, Portland, Oregon. Construction Monitoring Services

Additional notable prior projects while sole proprietor of L. Taylor Lohr Architect, LLC:

Historic Old First National Bank Building, Telluride, Colorado. Ms. Lohr participated in completing the building's Historic Rehabilitation and Structure Assessment. The property is a National Historic Landmark and was designated as an Official Project of Save America's Treasures. In addition, Ms. Lohr prepared rehabilitation and addition drawings and documents as Architect of Record.

The Mulford Building / Heart of Telluride Townhome Rehabilitation, Telluride, Colorado. Work included reconstruction of the existing building and design of interior luxury residential units located in the Telluride National Historic District. This award-winning project has been featured in numerous design publications and was awarded an Award of Excellence for Compatible Infill by the Town of Telluride.

Affiliations

American Institute of Architects, Member

Contact

llohr@partneresi.com

Education

B.A., Environmental Health & Planning and Criminal Justice, University of California, Irvine

Registrations/Training

OSHA 40-Hour Hazwoper Health and Safety Training
EPA Accredited Asbestos Inspector
EPA Accredited Asbestos Management Planner
EPA Accredited Asbestos Abatement/Contractor Supervisor
HUD Map Underwriter Certification – 2004

Highlights

25 years of experience in national environmental due diligence consulting
Phase I Environmental Site Assessments
Phase II Subsurface Soil/Soil Gas Investigations
Property Condition Assessments
Asbestos/Lead-Based Paint Inspections

Experience Summary

Mr. Vaughn currently serves as a National Client Manager with significant environmental and due diligence engineering experience nationwide. Mr. Vaughn's experience includes two former Engineering News-Record Top 500 Design firms and a Fortune 500 firm. His responsibilities include full-phase environmental consulting, national client management, multi-scope contract negotiation/execution, portfolio project management, and technical report quality control. Mr. Vaughn's regional and national expertise compliments the wide variety of Partner projects and client types including prominent fast-food retail chains, attorneys, commercial developers, mortgage bankers, real estate brokers, individual investors, equity/institutional investment groups, and financial lending institutions, including CMBS lenders, SBA lenders, and GSA (Fannie and Freddie) lenders.

Mr. Vaughn has served as an environmental scientist, project manager, or executive senior author on over 20,000 real estate transactions. Mr. Vaughn's due diligence resume includes experience at all levels, advising lenders and real estate investors through the following product types:

- Phase I Environmental Site Assessments
- Phase II Subsurface Investigations
- Phase III Site Characterizations
- Remedial Cost Estimates
- Remediation Design and Implementation
- Environmental Transaction Screens
- Property Condition Assessments
- Probable Maximum Loss Assessments
- Property Condition Evaluations
- Asbestos Surveys
- Lead-Based Surveys

Robert Vaughn

Real estate investors, redevelopment agencies, financial institutions, insurance lenders, and real estate equity funds have come to rely on his advice and judgment to help them with their real estate business decisions. Mr. Vaughn is a dedicated professional who takes pride and pleasure in meeting his client's needs and spearheading and assembling the team with the expertise to handle any issue that may come up during the transaction.

Project Experience

Multi-Site Portfolio, Nationwide. Managed performance and delivery of summary matrix and completed Phase I reports for a 300+-site portfolio of apartments for a large stakeholder group.

Multi-Site Portfolio, Nationwide. Managed a 350+-site portfolio of bank branches for one of the largest bank mergers the mid-1990s.

High Rise Office Building, San Francisco. Worked on one of the largest high rise acquisitions in San Francisco in 2015 to manage pre-acquisition due diligence for equity investor of a high rise office building in downtown San Francisco. Included a Phase I ESA, equity PCA with specialty evaluations of facade, MEP, Fire and Life Safety, Roof, and ADA.

Multi-Site Gas Station Portfolio, California. Managed performance and delivery of complete reports for a 25-site portfolio of gas stations for national lender.

Multi-Site Fast-Food Portfolio, Midwest. Managed the completion of 25 Phase I ESAs located in the Midwest in a 10-business day turnaround.

Affiliations

Environmental Banks Association
National Retail Tenants Association

Speaking

Due Diligence 101, National Retail Tenants Association, Orlando, FL.

Environmental Due Diligence: What You Don't Know Can Hurt You, National Retail Tenants Association, Reno NV.

Contact

rvaughn@partneresi.com

APPENDIX E

MASTER GLOSSARY OF TERMS

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**MASTER GLOSSARY OF TERMS FOR
(RENAISSANCE AT CITY CENTER)
BOND TRANSACTION**

Dated as of December 1, 2020

DEFINITIONS

“*Account*” or “*Accounts*” means any one or more of the accounts from time to time created in any of the Funds established by the Indenture or by any Supplemental Indenture.

“*Accountant*” or “*accountant*” means any certified public accountant or firm of certified public accountants or accounting corporation selected by the Authority.

“*Accredited Investor*” has the meaning set forth in Rule 501 of Regulation D under the Securities Act of 1933, as amended.

“*Act*” means the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California, as the same may be amended from time to time.

“*Additional Bonds*” means any additional Subordinate Bonds, including any Refunding Bonds, issued pursuant to Section 3.02 of the Indenture; provided that the Additional Bonds shall not constitute Series 2020 Bonds.

“*Administration Fee*” means the “Administration Fee” set forth in and paid pursuant to the Project Administration Agreement.

“*Administration Fee Fund*” means the Administration Fee Fund established pursuant to Section 5.02 of the Indenture.

“*Administrative Expenses*” means the fees and expenses of the Authority (including the Authority’s Annual Fee and any other expenses of the Authority (except Extraordinary Costs and Expenses) in any way related to the Bonds or the Project), the Trustee, the Insurance Consultant, the Designated Agent, and the Program Consultant paid in accordance with the Project Administration Agreement. The Authority has the right to engage legal counsel, rating agencies, Consultants and other professionals as it determines in its sole discretion appropriate and the fees and expenses of such legal counsel, rating agencies, Consultants and other professionals, as approved by the Authority, shall be conclusively deemed reasonable and appropriate and included as part of such Administrative Expenses. “Administrative Expenses” shall include any costs pursuant to the Authority’s indemnity, hold harmless and defense obligations under the Project Administration Agreement or the Property Management Agreement.

“*Administrative Expenses Fund*” means the Administrative Expenses Fund established pursuant to Section 5.02 of the Indenture.

“*Affected Bonds*” means the Outstanding Senior Bonds while any Senior Bonds are Outstanding and the Outstanding Subordinate Bonds while any Subordinate Bonds are Outstanding and no Senior Bonds are Outstanding.

“*ALTA*” means the American Land Title Association.

“Annual Evaluation Date” means each June 30, commencing June 30, 2022.

“Applicable Law” means all laws, statutes, acts, rules, regulations, permits, licenses, authorizations, directives, orders and requirements of all Governmental Authorities, that now or hereafter may be applicable to the Project Administrator, the Authority and/or the Project and the acquisition, maintenance, use and operation thereof, including those relating to employees, zoning, building, health, safety, hazardous materials, natural resources, and environmental matters, and accessibility of public facilities.

“Approvals” means licenses, approvals, permits, authorizations, registrations and the like required by any Governmental Authority having jurisdiction over the Authority or the Project.

“Arbitration Request” means a written notice of requirement for arbitration initiated by either the Project Administrator, the Authority or the Trustee delivered to the others.

“Assignment and Assumption Agreement” means the Assignment and Assumption of Purchase and Sale Agreement, dated as of December 1, 2020, by and between the Standard Faring Workforce LLC, as assignor, and the Authority, as assignee.

“Audited Financial Statements” means the financial statements prepared for each Fiscal Year for the Project prepared in accordance with generally accepted accounting principles and audited by an Accountant.

“Authority” means the CSCDA Community Improvement Authority, and its successors and assigns.

“Authority Documents” means any and all contracts, instruments and agreements to which the Authority is a party, now existing or hereafter arising, in connection with the acquisition, construction, equipping, operation, use or occupancy of the Project, including the financing and refinancing thereof.

“Authority Indemnified Person(s)” means, individually or collectively, as applicable, (i) Authority, (ii) the Members, and (iii) each and all of the Authority’s and the Members’ respective past, present and future directors, board members, governing members, trustees, commissioners, elected or appointed officials, officers, employees, Authorized Signatories, attorneys, contractors, subcontractors, agents and advisers (including the Designated Agent and including counsel and financial advisers), and each of their respective heirs, successors and assigns.

“Authority’s Annual Fee” means the annual administration fee payable to the Authority in the amount of \$106,012.50 payable each January 1, commencing January 1, 2022, until all of the principal of the Bonds has been paid in full.

“Authorized Authority Representative” means the Chair, Vice-Chair, or Secretary of the Authority and any other Person authorized by resolution of the Authority to act as an Authorized Signatory under the Indenture or any Supplemental Indenture or otherwise with respect to the Bonds or the Project, which Person(s) shall be acting solely in its representative capacity on behalf of the Authority and not individually; provided, however, that *“Authorized Authority Representative”* shall not include the Designated Agent.

“Authorized Denominations” means, with respect to the Series 2020 Bonds, \$100,000 plus any integral multiple of \$1.00 in excess thereof while the Bonds are not rated an Investment Grade Credit Rating, or any smaller multiple of \$1.00 occasioned by the redemption of Bonds, and \$5,000 plus integral

multiples of \$1.00 in excess thereof if and after the Bonds are rated an Investment Grade Credit Rating, or any small integral multiple of \$1.00 caused by a redemption of the Bonds, and with respect to all other Bonds, such amount as otherwise provided in a Supplemental Indenture.

“Authorized Signatory” means any Director, including the Chair, Vice-Chair and Treasurer of the Authority, or any other person as may be designated and authorized to sign for the Authority pursuant to a resolution adopted thereby.

“Available Amount” has the meaning assigned to such term in Section 7.17(a) of the Indenture.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended, (11 U.S.C. Section 101, et seq.).

“Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including Persons holding Bonds through nominees, depositories or other intermediaries).

“Bond” or *“Bonds”* means the Series 2020 Bonds and all Additional Bonds.

“Bond Counsel” means a firm of attorneys, selected by the Authority, whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“Bond Documents” means the Indenture, the Purchase Agreement, the Project Administration Agreement, the Property Management Agreement, the Mortgage, the Regulatory Agreement, the Assignment and Assumption Agreement and the Bond Purchase Agreement.

“Bondholder,” “Holder,” “Owner” or *“Registered Owner”* means the person in whose name any of the Bonds are registered on the books kept and maintained by the Trustee as bond registrar. The initial Bondholder of the Senior Bonds is Cede & Co., as nominee of The Depository Trust Company.

“Bond Obligations” means the indebtedness, obligations and liabilities payable under the Bonds and the Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, by and between the Authority and the Underwriter relating to the sale and purchase of the Series 2020A Bonds.

“Bond Resolution” means the resolution adopted by the Authority authorizing the issuance of the Series 2020 Bonds.

“Budget” means either the Operating Plan and Budget or the Capital Budget for an applicable Operating Year.

“Budgeted Operating Expenses” means the Operating Expenses set forth in the Operating Plan and Budget delivered pursuant to Section 7.19 of the Indenture.

“Business Day” means any day other than a Saturday, Sunday, or national holiday recognized by commercial banks or trust companies located in Wilmington, Delaware, New York, New York, the location of the Principal Corporate Trust Office, or a legal holiday in the State.

“Business Interruption Insurance” means business interruption insurance maintained pursuant to the Project Administration Agreement.

“Business Interruption Proceeds” means any proceeds of Business Interruption Insurance.

“Capital Budget” means the approved annual plan and budget setting forth all approved Capital Improvements and Capital Expenses for the Project for the relevant Operating Year, prepared in accordance with the terms of the Project Administration Agreement.

“Capital Expense” means any item of expense that, according to Generally Accepted Accounting Principles, is not properly deducted as a current expense on the books of the Project, but rather should be capitalized.

“Capital Expense Fund” means the Capital Expense Fund established pursuant to Section 5.02 of the Indenture.

“Capital Expense Requirement” means an amount equal to \$290 per unit per year until December 31, 2021, and thereafter shall be increased by 3% per Fiscal Year until no Series 2020A Bonds remain outstanding.

“Capital Improvement” means an item of any nature incorporated into the Project, the cost of which is a Capital Expense.

“Cede & Co.” means the nominee of DTC.

“Certificate,” “Request,” “Direction,” or *“Order”* means, when used with reference to the Authority, a written certificate, statement, request, direction, requisition or order signed on behalf of the Authority by an Authorized Authority Representative (or, if required by the express provisions of the Indenture to be made by the Project Administrator, then by an officer or employee authorized to sign on its behalf). Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

“Certificate of Reduction of Debt Service” means a Certificate of the Authority to the effect that the Maximum Annual Senior Debt Service immediately after the issuance of the Series of Refunding Bonds to which such Certificate relates is not greater than the Maximum Annual Senior Debt Service immediately prior to the issuance of such Series of Refunding Bonds.

“Closing” or *“Closing Date”* means December 22, 2020.

“Code” means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations proposed or in effect with respect thereto.

“Collections Account” means that certain Collections Account in the Authority’s name created pursuant to the Property Management Agreement.

“Consultant” means any Person at the time employed by or on behalf of the Authority (or, to the extent specifically provided in the Indenture or in any Supplemental Indenture, by or on behalf of the Trustee) to carry out the duties imposed by or pursuant to the Indenture or a Supplemental Indenture, which Person shall be experienced, have a favorable reputation in the matters for which such Person is so employed, and be Independent of the Project Administrator and the Authority.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of the Closing Date, executed and delivered by BLX Group LLC, as dissemination agent, and the Authority, or any other continuing disclosure agreement entered into with respect to the Series 2020 Bonds.

“Controlling Party” means (a) so long as any Senior Bonds are Outstanding, the Registered Owners of a majority in aggregate principal amount of the Senior Bonds then Outstanding; and (b) while any Subordinate Bonds are Outstanding and no Senior Bonds are Outstanding, the Registered Owners of a majority in aggregate principal amount of the Subordinate Bonds then Outstanding.

“Corporate Lease” means any residential lease executed in the name of a business or corporate entity.

“Costs of Issuance” means the items of expense relating to the authorization, sale and issuance of Bonds, which items of expense may include, without limitation: travel expenses; printing costs; costs of reproducing documents; computer fees and expenses; filing and recording fees; initial and first year administrative fees and charges of the Trustee, Consultants, Registrar and any paying agent; initial fees and charges of banks, insurers or other parties pursuant to guarantees or bond insurance policies; bond discounts; bond counsel and other legal fees and charges; consulting fees and charges; auditing fees and expense; financial advisor’s fees and charges; Underwriter’s fees, charges and discounts; escrow agent fees and charges, title company fees and charges, costs of credit ratings; insurance premiums; fees and charges for the execution, transportation and safekeeping of Bonds; and any other administrative or other costs of issuing, carrying and repaying such Bonds and investing the Bond proceeds.

“Costs of the Project” means all costs and expenses of acquisition, furnishing, and equipping of the Project, including costs of a minor nature which are permitted to be completed after the date of substantial completion of the Project.

“Coverage Reserve Fund” means the Fund of that name created in Section 5.02 of the Indenture.

“Coverage Reserve Fund Requirement” means, for each Operating Year, the greater of \$700,000 or an amount necessary to cause the Debt Service Coverage Ratio to equal 1.20:1.00.

“Cumulative Redemption Evaluation Date” means January 1, 2036, January 1, 2041 and January 1, 2046.

“Cumulative Redemption Requirement” means, the balance of the Outstanding Senior Bonds equal to or less than (i) \$61,260,000 after January 1, 2036, (ii) \$51,376,000 after January 1, 2041 and (iii) \$29,815,000 after January 1, 2046.

“Debt Service” means, for a specified period, amounts needed to pay interest on the Outstanding Bonds payable during such period.

“Debt Service Coverage Ratio” means a fraction calculated by dividing (i) the Total Net Revenues plus any funds available in the Series 2020 Capitalized Interest Account and Coverage Reserve Fund for a particular period of time, less the sum of (a) Administrative Expenses (excluding extraordinary or one-time Administrative Expenses), (b) the Administration Fee and (c) the Capital Expense Requirement for such period, by (ii) the Net Debt Service for the Outstanding Senior Bonds for the same period of time; provided that, for purposes of calculating Debt Service Coverage Ratio for release of the Series 2020 Capitalized Interest Account and/or the Coverage Reserve Fund, funds available in the Series

2020 Capitalized Interest Account and Coverage Reserve Fund shall not be included in the numerator thereof.

“Debt Service Coverage Requirement” means for each Operating Year, a Debt Service Coverage Ratio which is not less than 1.10:1.00.

“Debt Service Fund” means the Debt Service Fund established by Section 5.02 of the Indenture, together with the Accounts established therein.

“Depository” means initially DTC, or any other securities depository selected as set forth in Section 3.13 of the Indenture with respect to the Series 2020 Bonds.

“Designated Agent” has the meaning assigned to such term in Section 1.05 of the Indenture.

“Dissemination Agent” means BLX Group LLC, together with any successors or assigns.

“DTC” means The Depository Trust Company, or any successor securities depository thereto.

“Effective Date” means the Closing Date.

“Eligible Funds” means:

(a) moneys held by the Trustee under the Indenture for a period of at least 123 days and not commingled with any moneys so held for less than said period and during which period no petition in bankruptcy was filed by or against, and no receivership, insolvency, assignment for the benefit of creditors or other similar proceedings has been commenced by or against, the Authority, unless such petition or proceeding was dismissed and all applicable appeal periods have expired without an appeal having been filed;

(b) Gross Operating Revenues held by the Trustee;

(c) investment income derived from the investment of moneys described in clause (a) and (b);

(d) proceeds of obligations issued to refund the Bonds; or

(e) any moneys with respect to which an opinion of nationally recognized bankruptcy counsel has been received by the Trustee to the effect that payments by the Trustee in respect of the Bonds, as provided in this Indenture, derived from such moneys should not constitute transfers avoidable under 11 U.S.C. § 547(b) and recoverable from the Beneficial Owners under 11 U.S.C. § 550(a) should the Issuer or the Borrower be the debtor in a case under Title 11 of the United States Code, as amended.

“Emergency” means a situation imminently threatening life, health, or safety.

“Emergency Expenses” means the expenses incurred to remove the existence of an Emergency.

“EMMA” means the Municipal Securities Rule Making Board’s Electronic Municipal Market Access system.

“Employee Burden” means Operating Expenses consisting of the sum of (i) the salaries, wages, bonuses, and other direction compensation payable to the Project Staff, (ii) any fringe benefits payable with respect to the Project Staff, as may be appropriate to cause the amount to be reimbursed by Authority

to equal the actual aggregate compensation with respect to the Project Staff, and (iii) fees and expenses payable to Property Manager for assuming employee-related liabilities and administrative burden in connection with the Project Staff. “Fringe benefits” shall include the employer’s contribution of F.I.C.A. and 401(k) contributions, unemployment compensation and other employment taxes, workers’ compensation, group life, accident and health/vision/dental insurance premiums, allowance for vacation and sick time, disability and other similar benefits, severance payments allocable to the Project, any vacation pay-out which may be due at the end of employment, costs for training and mentoring Project Staff, and costs incurred by Property Manager to provide suitable corporate apparel for Project Staff. The Employee Burden will include accrued vacation hours earned by each member of the Project Staff during each payroll period, but shall exclude vacation accrued prior to a Project Staff member’s employment at the Project. The estimated Employee Burden shall be included as part of the Operating Plan and Budget. The methodology utilized to determine Employee Burden shall remain consistent through the term of the Property Management Agreement.

“*Excess Revenue Fund*” means the Excess Revenue Fund established by Section 5.02 of the Indenture.

“*Excess Revenues*” means the amount on deposit in the Excess Revenue Fund.

“*Extraordinary Costs and Expenses*” means any costs and expenses of the Authority related to the Bonds or the Project not included or paid as Administrative Expenses, including but not limited to the Authority’s indemnification, hold harmless or defense obligations to the Trustee or related to any restriction against condominium conversions (but not indemnifications of the Project Administrator, Property Manager or anyone else), and any costs and expenses which are not included as an Operating Expense and are due and owing to (i) the Authority or any Authority Indemnified Person arising out of any matter enumerated or referred to or necessarily implied from, the matters enumerated in Sections 13.07(a) through 13.07(h) of the Indenture, excepting only to the extent that indemnification is unavailable to the Authority or any Authority Indemnified Person pursuant to Section 13.07 of the Indenture, or (ii) the Trustee.

“*Extraordinary Expense Fund*” means the Extraordinary Expense Fund established by Section 5.02 of the Indenture.

“*Extraordinary Expense Fund Requirement*” means \$500,000.

“*Facilities*” means the multifamily rental housing facility consisting of a total of 150 residential units, certain ground level commercial space, improvements, personal property and equipment known as Renaissance at City Center.

“*Fiscal Year*” means the twelve (12) month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as its Fiscal Year.

“*Fund*” or “*Funds*” means any one or more, as the case may be, of the separate special funds established by the Indenture or by any Supplemental Indenture.

“*Funds Transfer Date*” means the last Business Day of each month (commencing on January 31, 2021).

“*Generally Accepted Accounting Principles*” means those conventions, rules, procedures and practices, consistently applied, affecting all aspects of recording and reporting financial transactions which are generally accepted by major independent accounting firms in the United States.

“*Glossary*” or “*Master Glossary*” means this Master Glossary of Terms, dated as of December 1, 2020.

“*Government Obligations*” means (a) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“*Governmental Authority*” means any authority, agency, board, branch, division, department or similar unit of any federal, state, county, city, town, district, or other governmental entity or unit having jurisdiction over or validly imposing requirements on the applicable Person or the Project, but excludes the Authority.

“*Gross Operating Profit*” or “*GOP*” means for any period of time, the amount by which Gross Operating Revenue properly attributable to such period exceeds Operating Expenses for the same period.

“*Gross Operating Revenues*” means all revenue and income of any kind derived directly or indirectly from operations at the Project, properly attributable to the period under consideration, determined in accordance with Generally Accepted Accounting Principles and a uniform system of accounts (except that in determining the amount deposited into the Revenue Fund, such determination shall be made on a cash basis and except that revenues paid with respect to use of any part of the Project with respect to particular months or other period will be considered properly attributable to those months or other period even if received by the Trustee before or after), except that the following shall not be included in determining Gross Operating Revenues:

(a) receipts from the financing, sale or other disposition of capital assets and other items not in the ordinary course of the Project’s operations and income derived from securities and other property acquired and held for investment;

(b) receipts from awards or sales in connection with any Taking, from other transfers in lieu of and under the threat of any Taking, and other receipts in connection with any Taking, but only to the extent that such amounts are specifically identified as compensation for alterations or physical damage to the Project;

(c) proceeds of any insurance, including the proceeds of any Business Interruption Insurance;

(d) proceeds of any financing; and

(e) interest earned on funds held in any Fund or Account.

“*Guaranty*” means the Guaranty Agreement, dated as of December 1, 2020, by and between the Authority and Standard Property Company, Inc.

“*Housing Consultant*” means a Person who is Independent and having the experience and qualifications necessary to review and make recommendations regarding the operation, management, marketing, improvement, condition or use of the Project.

“Indemnified Party” and *“Indemnified Parties”* mean, individually and collectively, the Authority Indemnified Person(s) and the Trustee’s Indemnified Person(s).

“Indenture” means the Trust Indenture, dated as of December 1, 2020, by and between the Authority and the Trustee, as originally executed and as it may from time to time be amended, modified and supplemented in accordance with the terms thereof.

“Independent” means, with respect to counsel or any Consultant, a person who is not a member of the governing body of the Authority, or the Project Administrator and is not an officer or employee of the Authority, or the Project Administrator and which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the governing body of the Authority, or the Project Administrator or who is an officer or employee of the Authority, or the Project Administrator; provided, however, that the fact that such person is retained regularly by or transacts business with the Authority or the Project Administrator shall not make such person an employee within the meaning of this definition.

“Institutional Accredited Investor” has the meaning set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act of 1933, as amended.

“Insurance and Condemnation Proceeds Fund” means the Insurance and Condemnation Proceeds Fund established pursuant to Section 5.15 of the Indenture.

“Insurance Consultant” means an independent insurance consultant retained by the Authority.

“Insurance Costs” means insurance premiums relating to liability and casualty coverage and Business Interruption Insurance policies and other insurance policies and coverages maintained with respect to the Project or the Authority pursuant to the Indenture.

“Insurance Proceeds” means any and all proceeds received by the Trustee from an insurance company as a result of a casualty loss in connection with the Project.

“Interest Payment Date” means, (i) with respect to the Series 2020A Bonds, January 1 and July 1 of each year, commencing July 1, 2021, and (ii) with respect to the Series 2020B Bonds, the Subordinate Bond Interest Payment Dates, and (iii) with respect to any other Series of Bonds, the date on which interest on such Series of Bonds is due and payable.

“Interest Period” for any Bonds means initially the period from the date of issuance of such Bonds to but not including the first Interest Payment Date and thereafter the period from and including each Interest Payment Date to but not including the next Interest Payment Date or other date on which interest is required to be paid on such Bonds.

“Interest Requirement” means an amount equal to the interest that would be due and payable on the Bonds on the Interest Payment Date next succeeding the date of determination (assuming that no principal of the Bonds is paid or redeemed between such date and the next succeeding Interest Payment Date) multiplied by a fraction the numerator of which is one and the denominator of which is the number of whole calendar months in the Interest Period in which such date occurs.

“Investment Grade Credit Rating” means a credit rating of “BBB-” (or an equivalent rating) or better from any Rating Agency.

“Investment Securities” means any of the following obligations or securities, to the extent permitted by applicable law:

- (a) Government Obligations;
- (b) Bank demand deposits (whether or not interest bearing) and interest bearing bank time deposits evidenced by certificates of deposit (1) issued by any bank (which may include the Trustee and its affiliates), trust company, or savings and loan association whose long-term debt obligations are rated not less than “AA” or its equivalent by the Rating Agency or (2) which are fully insured by Federal Deposit Insurance Corporation;
- (c) Obligations of, or participation certificates guaranteed by Federal Intermediate Credit Banks, Federal Home Loan Banks, Fannie Mae (excluding stripped securities), the Export-Import Bank of the United States, the Federal Land Bank, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association and the Federal Financing Bank, or any other instrumentality of the United States of America backed by the full faith and credit of the United States and approved in writing by the Borrower;
- (d) Obligations rated not less than “AA” or its equivalent by the Rating Agency, issued by any state of the United States of America or the District of Columbia, or any political subdivision, agency or instrumentality of one of such states;
- (e) Any repurchase agreement or reverse repurchase agreement relating to Investment Securities described in (a) or (c) above with any bank having general unsecured debt which at the time of investment is rated “A-1+”, or its equivalent by a Rating Agency and which is a member of the Federal Deposit Insurance Corporation;
- (f) Any obligation or debt security of any corporation, whether organized under the laws of the United States of America or of any state thereof or the laws of any foreign country, which, at the time of investment therein by the Trustee, shall be rated not less favorably than “AA” or its equivalent by the Rating Agency;
- (g) Money market mutual funds (including those of an affiliate of the Trustee) rated “AAAm” or its equivalent by the Rating Agency;
- (h) Obligations which in the opinion of Bond Counsel are tax-exempt obligations (as defined in Section 150(a)(6) of the Code and are not “investment property” as defined in Section 148(b)(2) of the Code), and which are rated “A-1+,” “SP-1+,” or “AAA” or its equivalent by the Rating Agency;
- (i) One or more investment agreements provided or guaranteed by a financial institution whose long-term unsecured debt is rated in the top three rating categories (without regard to modifiers) by a Rating Agency; and
- (j) Any long-dated repurchase agreement relating to Investment Securities in (a) or (c) above with any bank or financial institution which at the time of investment is rated “A-1+”, or its equivalent by a Rating Agency.

In addition to the foregoing, each Investment Security must be an instrument bearing a predetermined fixed dollar amount of principal due at maturity that cannot change or vary and, if the obligation is rated, must not have an “r” highlighter affixed to its rating by the Rating Agency. Interest on

each Investment Security must be payable at a fixed rate or, if payable at a variable rate, the rate must be tied to a single interest rate plus a single fixed spread, if any, and move proportionately with that index.

“Investor Representation Letter” means the form of letter attached to the Indenture as Exhibit B.

“Joint Exercise Agreement” means the Joint Exercise of Powers Agreement, dated as of October 15, 2020, as the same may be amended from time to time.

“Land” means the real property in the City of Carson, California, legally described on Exhibit A of the Regulatory Agreement.

“Letter of Instructions” means a written directive and authorization executed by an Authorized Authority Representative and delivered to the Trustee in connection with the defeasance of the Series 2020 Bonds under the Indenture.

“Liabilities” means any and all fees, costs and charges, losses, damages, claims, actions, liabilities and expenses of any conceivable nature, kind or character (including, without limitation, reasonable fees and expenses of attorneys, accountants, consultants and other experts, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) in any way related to the Bonds or the Project to which the Indemnified Parties, or any of them, may become subject under any statutory law or regulation (including federal or state securities laws and regulations and federal tax laws or regulations) or at common law or otherwise, and specifically including Extraordinary Costs and Expenses.

“Master Insurance Schedule” means the Master Insurance Schedule attached to the Project Administration Agreement as Schedule 6.01.

“Material Adverse Effect” means (a) if a Person other than the Authority is referenced (i) a material adverse effect upon the business, operations, properties, assets or condition (financial or otherwise) of such other Person, or (ii) the impairment of the ability of the Authority or such other Person to perform its non-monetary obligations under any Bond Document, or (b) if the Project is referenced, a material adverse effect upon the business, operations, assets or condition (financial or otherwise) of the Project, or upon the ability of the Project to be in compliance with the terms of the Bond Documents. In determining whether any individual event would result in a Material Adverse Effect, notwithstanding that such event does not of itself have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then-occurring events and existing conditions would result in a Material Adverse Effect.

“Maximum Annual Senior Debt Service” means, as of the date of calculation, Debt Service for the Senior Bonds as calculated for the next ensuing Operating Year and any future Operating Year in which such sum is largest.

“Member” means the parties to the Joint Exercise Agreement and any political subdivision designated in the past, or from time to time in the future is designated, as a member of the Authority pursuant to the Joint Exercise Agreement.

“Mortgage” means the Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing, dated as of the Closing Date, executed by the Authority, as mortgagor, in favor of the Trustee, as mortgagee, on behalf of the Registered Owners, as amended, and any other encumbrance on the Project securing the repayment of any debt of the Authority.

“*Mortgagee*” means any holder or beneficiary of the Mortgage including, initially, the Trustee.

“*Net Debt Service*” means Debt Service on the Series 2020A Senior Bonds less investment earnings received on amounts held in the Senior Debt Service Account and the Senior Debt Service Reserve Fund.

“*Operating Account*” means an Operating Account in the Authority’s name created pursuant to the Property Management Agreement from which the Property Manager pays vendors, suppliers, service providers, employees or other accounts payable; provided that for the avoidance of doubt, an Operating Account shall not be a Collection Account or any Account maintained with the Trustee.

“*Operating Expenses*” means all those ordinary and necessary expenses incurred in the operation of the Project or the Bonds, including, without limitation, Insurance Costs, Taxes, the costs of maintaining a rating, if any, on the Series 2020A Bonds, the cost of maintenance and utilities, the costs of advertising, marketing, business promotion and lease payments for equipment to be installed and utilized at the Project, fees due the Property Manager pursuant to the Property Management Agreement, and fees and expenses of the Housing Consultant paid in accordance with the Project Administration Agreement. Notwithstanding the foregoing description, unless expressly made an Operating Expense under a specific provision of the Project Administration Agreement, the following shall not constitute Operating Expenses: (a) depreciation and amortization on capitalized assets; (b) payments of principal and interest related to any financing of the Project; (c) costs paid or reimbursed by and pursuant to the Project Administrator’s indemnity, hold harmless and defense agreements contained in the Project Administration Agreement, all of which shall be funded out of the Project Administrator’s own funds (from whatever source, including Insurance Proceeds to the extent paid to the Project Administrator) or costs paid or reimbursed by and pursuant to the Property Manager’s indemnity, hold harmless and defense agreements contained in the Property Management Agreement, all of which shall be funded out of the Property Manager’s own funds (from whatever source, including Insurance Proceeds to the extent paid to the Property Manager); (d) costs incurred by the Project Administrator to perform obligations, duties, covenants, agreements and responsibilities which, under the express terms of the Project Administration Agreement, are to be funded from the Project Administrator’s own funds; (e) Capital Expenses; and (f) Administrative Expenses.

“*Operating Plan and Budget*” means an annual marketing and operating plan and budget for the Project prepared by the Project Administrator in coordination with the Property Manager and approved by the Authority, all in accordance with the terms of the Project Administration Agreement.

“*Operating Reserve Fund*” means the Operating Reserve Fund established by Section 5.02 of the Indenture.

“*Operating Reserve Requirement*” means \$301,000.

“*Operating Year*” means the twelve (12) month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as the Operating Year.

“*Opinion of Bond Counsel*” means a written opinion of Bond Counsel.

“*Outstanding*” means, with respect to any Bonds as of any date, Bonds theretofore or thereupon being authenticated and delivered under the Indenture except:

- (a) Bonds canceled or delivered for cancellation at or prior to such date;

(b) Bonds in lieu of or in substitution for which other Bonds has been authenticated and delivered pursuant to the Indenture; and

(c) Bonds deemed to have been paid, redeemed, purchased or defeased as provided in the Indenture, in any Supplemental Indenture, as applicable, or as provided by law.

“*Owner*” means (i) when used with reference to the book entry only system, the person who is considered the beneficial owner of the Bonds and, with respect to the Bonds, pursuant to the arrangements for book entry determination of ownership applicable to the Depository and, (ii) for purposes of continuing disclosure, any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding such through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds and, with respect to the Bonds for federal income tax purposes.

“*Participant*” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Series 2020 Bonds as securities depository.

“*Permits*” means licenses, approvals, permits, certificates, variances, authorizations, entitlements, registrations, and the like required by any Governmental Authority having jurisdiction over the Authority or the Project.

“*Permitted Encumbrances*” with respect to the property of the Authority, means and includes:

(a) liens specifically permitted by, or created by, the Indenture, the Project Administration Agreement, the Mortgage or any other Bond Document;

(b) liens for taxes, assessments, fees, levies or other similar charges which are either not yet due and payable or are being contested in good faith by appropriate proceedings conducted with due diligence, if adequate reserves therefor have been established and are being maintained;

(c) after the Closing Date, materialmen’s, mechanics’, workmen’s, repairmen’s, employees’ or other like liens arising in the ordinary course of operations or maintenance of the Project, in each such case securing obligations which are not delinquent or are bonded in a manner satisfactory to the Authority acting reasonably and in good faith or are being contested in good faith by appropriate proceedings conducted with due diligence (unless by such contest there exists any risk (taking into account any applicable insurance, reserves or bonding covering such lien) that any portion of the Project may become subject to loss or forfeiture or that such lien or contest thereof might otherwise interfere with the use of the Project);

(d) presently existing utility, access and other easements and rights of ways, and restrictions as set forth in Schedule B to the Title Policy as of the Closing Date; and

(e) after the Closing Date, purchase money security interests and security interests placed upon personal property being acquired to secure a portion of the purchase price thereof, or lessor’s interests in leases required to be capitalized in accordance with Generally Accepted Accounting Principles; provided that the aggregate principal amounts secured by any such interests shall not exceed at any time more than \$100,000.

“*Person*” means any individual, public or private corporation, partnership, limited liability company, county, district, authority, municipality, political subdivision or other entity of the State, or the

United States of America, and any partnership, association, firm, trust, estate or any other entity or organization whatsoever.

“Principal Office” or *“Principal Corporate Trust Office”* with respect to the Trustee means the principal corporate trust office of the Trustee located at the address set forth in Section 13.09 of the Indenture, or at such other place as the Trustee shall designate by notice given under said Section 13.09, or such other office designated by the Trustee from time to time.

“Principal Payment” means with respect to any Principal Payment Date for any Series of Bonds, an amount equal to the aggregate principal amount of Outstanding Bonds of such Series which mature on such Principal Payment Date.

“Principal Payment Date” means with respect to any Series of Bonds a date on which principal of such Series of Bonds is due and payable.

“Program Consultant” means BLX Group LLC or successor as rebate, continuing disclosure and other review consultant to the Authority.

“Project” means the Land and Facilities.

“Project Acquisition Account” means the account by that name within the Project Fund established and designated as such by the Indenture.

“Project Administration Agreement” means the Project Administration Agreement, dated as of December 1, 2020, by and between the Authority and the Project Administrator, or any other project administration agreement entered into by the Authority with respect to the Project.

“Project Administrator” means Standard Renaissance Administrator LLC, and any other Person who is an assignee of the initial Project Administration Agreement or who enters into a Project Administration Agreement with the Authority to operate and manage the Project on behalf of the Authority.

“Project Fund” means the Project Fund established and designated as such by the Indenture.

“Property” has the meaning assigned to such term in the Mortgage.

“Property Management Agreement” means that Property Management Agreement, dated as of December 1, 2020, between the Authority and the Property Manager, or any other management agreement entered into by the Authority with respect to the operation and management of the Project.

“Property Manager” means AMC-CA, Inc., dba Apartment Management Consultants, a Utah corporation, as the initial Property Manager.

“Proposed Budget Documents” means the proposed Capital Budget and the Operating Plan and Budget for any Operating Year.

“Purchase Agreement” means the Agreement of Purchase and Sale and Joint Escrow Instructions, dated as of October 29, 2020, between Standard Property Company, Inc., as buyer, and Avalon Carson LLC, a Delaware limited liability company, as seller.

“Public Benefit Agreement” means the Public Benefit Agreement, dated as of December 1, 2020, by and between the Authority and the City of Carson.

“Qualified Institutional Buyer” has the meaning set forth in Rule 144A under the Securities Act of 1933, as amended.

“Quarterly Evaluation Date” means the last day of each calendar quarter commencing on September 30, 2021.

“Quarterly Financial Report” means the “Quarterly Financial Report” as defined in the Project Administration Agreement.

“Rating Agency” means any one of Fitch Ratings, Inc., Moody’s Investors Service, or S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC.

“Rebate Analyst” means the Program Consultant or other certified public accountant, financial analyst or bond counsel, or any firm of the foregoing, or financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and retained by the Authority to make the computations required under the Indenture or any Supplemental Indenture.

“Rebate Fund” means the Rebate Fund established by Section 5.02 of the Indenture, and includes any separate accounts or subaccounts established by the terms of any Supplemental Indentures or any agreement pursuant thereto.

“Record Date” means the close of business on the fifteenth day of the calendar month (whether or not a Business Day) preceding an Interest Payment Date; provided that the Record Date for any Series of Additional Bonds, if different, means the date designated in any Supplemental Indenture as the record date for the payment of interest on such Series of Additional Bonds.

“Redemption Date” means the date upon which any Bonds are to be redeemed prior to their respective fixed maturities pursuant to the mandatory or optional redemption provision of the Indenture or any Supplemental Indenture.

“Redemption Price” means, with respect to any Bond, the amount, including any applicable premium, payable upon the mandatory or optional redemption thereof, as provided in the Indenture or any Supplemental Indenture.

“Refunding Bonds” means all Bonds, whether issued in one or more Series, issued for the purpose of refunding a like or different principal amount of Bonds, and hereafter authenticated and delivered pursuant to the Indenture.

“Register” means the register maintained by the Registrar for each Series of Bonds which shows ownership of Bonds in accordance with Section 3.08 of the Indenture.

“Registered Owner” means Bondholder.

“Registrar” means, with respect to the Series 2020 Bonds, the Trustee, and the successor or successors appointed pursuant to and meeting the requirements of Article X of the Indenture.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of December 1, 2020, by and between the Authority and the Trustee.

“Reimbursable Expenses” means for purposes of the Project Administration Agreement all costs and expenses reimbursable to the Project Administrator pursuant to the Project Administration Agreement.

“Reserve Fund” means the Senior Debt Service Reserve Fund.

“Responsible Officer” means, when used with respect to the Trustee, the chairman or vice chairman of the board of directors of the Trustee, the chairman or vice chairman of the executive committee of said board, the president or any vice president, the secretary or any assistant secretary, the treasurer or any assistant treasurer, the cashier or any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of that officer’s knowledge of and familiarity with the particular subject.

“Revenue Fund” means the Revenue Fund established by Section 5.02 of the Indenture.

“Revenues” means the Gross Operating Revenues and all amounts received by the Authority or the Trustee pursuant to the Mortgage, the Project Administration Agreement, the Property Management Agreement and the Public Benefit Agreement and all proceeds of any collateral thereunder, including, without limiting the generality of the foregoing, Insurance Proceeds, condemnation proceeds, and all interest, profits or other income derived from the investment of amounts in any fund or account established pursuant to the Indenture (except any subaccounts of the Project Fund that are otherwise pledged and the Extraordinary Expense Fund and the Rebate Fund).

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depositories” means the following registered securities depositories: (a) The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax: (516) 227-4039 or 4190; (b) Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax: (312) 663-2343; and (c) Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax: (215) 496-5058; or, (d) in accordance with then-current guidelines of the Securities and Exchange Commission, to such other addresses and/or such other securities depositories, as the Securities and Exchange Commission may designate from time to time.

“Senior Bonds” means the Series 2020A Bonds.

“Senior Debt Service Account” means the account by that name established within the Debt Service Fund pursuant to Section 5.02 of the Indenture.

“Senior Debt Service Reserve Fund” means the Senior Debt Service Reserve Fund established by Section 5.02 of the Indenture.

“Senior Redemption Account” means the account by that name established within the Debt Service Fund pursuant to Section 5.02 of the Indenture.

“Senior Reserve Fund Requirement” means the Maximum Annual Senior Debt Service.

“Series” means Bonds identified as a separate series which are authenticated and delivered on original issuance and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Indenture or any Supplemental Indenture.

“Series 2020A Bonds” means the \$67,675,000 aggregate principal amount of CSCDA Community Improvement Authority Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A.

“Series 2020B Bonds” means the \$3,000,000 aggregate amount of CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B.

“Series 2020 Bonds” means, collectively, the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020 Costs of Issuance Account” means the account by that name within the Project Fund established and designated as such by Section 5.02 of the Indenture.

“State” means the State of California.

“Subaccount” means any one or more of the subaccounts from time to time created in any of the Accounts established by Section 5.02 of the Indenture or by any Supplemental Indenture.

“Subordinate Bonds” means the Series 2020B Bonds and all Additional Bonds issued on a parity with the Series 2020B Bonds.

“Subordinate Bond Interest Payment Date” means (i) each July 15, commencing July 15, 2021, and (ii) each January 15 and July 15 following receipt by the Trustee of Audited Financial Statements demonstrating Debt Service Coverage Ratio of at least 1.20:1.00.

“Subordinate Bondholder Protective Advances” has the meaning set forth in Section 9.04(e) of the Indenture.

“Subordinate Debt Service Account” means the account by that name established within the Debt Service Fund pursuant to Section 5.02 of the Indenture.

“Subordinate Redemption Account” means the account by that name established within the Debt Service Fund pursuant to Section 5.02 of the Indenture.

“Supplemental Indenture” means any Indenture supplemental to or amendatory of the Indenture, entered into by the Authority and the Trustee in accordance with Article XI thereof.

“Systems” include all fixtures, equipment, pipes, lines, wires, ducts, vents, computer cables, security system cables, monitoring system cables, conduits, and other systems and facilities used in the production, heating, cooling and/or transmission of air, water, gas, electricity, communications, waste water, sewage, and audio and video signals, elevators and escalators.

“Taking” or *“Taken”* means a taking as a result of compulsory purchase or acquisition of all or part of the Project, any taking by any Governmental Authority (or any authority or entity acting on behalf

of or purporting to act on behalf of any Governmental Authority) for any purpose whatsoever or a conveyance in lieu thereof.

“Tax Certificate” means the Tax Certificate dated the Closing Date executed by the Authority.

“Taxes” means all taxes, including ad valorem taxes on real property, lease-hold excise taxes, personal property taxes and other, if any, governmental assessments relating to or assessed in connection with the ownership or operation of the Project, if any.

“Term” means the period set forth in Article 2 of the Project Administration Agreement.

“Termination” means the expiration or sooner cessation or termination of the applicable agreement.

“Title Company” means First American Title Insurance Company.

“Title Policy” means a mortgagee policy of title insurance to be issued by the Title Company in accordance with Applicable Law and ALTA standards. The Title Policy must have a liability in the amount of the aggregate principal amount of the Bonds insuring, as of the Closing Date, that the fee simple interest in the Project is vested in the Authority, and insuring Trustee that the lien of the Mortgage constitutes a first and valid lien upon the fee simple interest in the Project.

“Total Net Revenues” means Gross Operating Profit plus any earnings deposited into the Revenue Fund not otherwise included in the definition of Gross Operating Profit.

“Total Projected Net Revenues” means the amount of Total Net Revenues for a particular period of time as projected by a Housing Consultant.

“Trust Estate” means the Revenues, any other amounts held by the Trustee in any Fund or Account established pursuant to the Indenture (other than the Rebate Fund and the Extraordinary Expense Fund), the right, title and interest of the Authority in the Project, the Property Management Agreement and the Project Administration Agreement, and any other moneys, securities, property rights and other amounts pledged and assigned to the Trustee pursuant to Section 5.01 of the Indenture.

“Trustee” means Wilmington Trust, National Association, as trustee under the Indenture, together with any successors or assigns.

“Trustee Indemnified Person(s)” means, individually or collectively, as applicable, the Trustee and its officers, directors, employees, attorneys and agents, successors and assigns.

“Unassigned Rights” means the rights of the Authority under the Indenture, and to the extent not expressly provided in the Indenture, the Authority’s rights under the other Bond Documents to (i) inspect books and records; (ii) give or receive notices, and other communications, and prior to foreclosure, the appointment of any receiver or trustee for the Project, or an exercise of remedies under the Indenture and the Bond Documents, to give approvals or consents or make requests; (iii) receive payment or reimbursement for expenses, including without limitation Administrative Expenses, Extraordinary Costs and Expenses due to the Authority; (iv) immunity from and limitation of liability; (v) indemnification by the Project Administrator, the Property Manager or any other Person; and further, to enforce, in its own name and on its own behalf, the foregoing rights and those provisions of the Indenture and any other document, instrument or agreement entered into with respect to the Bonds that provides generally for the foregoing enumerated rights or any similar rights of the Authority or any Authority Indemnified Person.

For the avoidance of doubt, the “Unassigned Rights” referenced in clauses (iv), (v), and (vi), above shall include (but are not limited to) the rights of the Authority Indemnified Persons to immunity from and limitation and indemnification by the Project Administrator and the right of any such Authority Indemnified Person to enforce such rights in his, her or its own name.

“*Underwriter*” means Stifel, Nicolaus & Company, Incorporated.

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APPENDIX F

FORM OF INDENTURE

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TRUST INDENTURE

between

CSCDA COMMUNITY IMPROVEMENT AUTHORITY

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

Relating to

CSCDA Community Improvement Authority
Essential Housing Revenue Bonds,
(Renaissance at City Center) Series 2020A

and

Subordinate Essential Housing Revenue Bonds,
(Renaissance at City Center) Series 2020B

Dated as of December 1, 2020

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS AND INTERPRETATION.....	3
Section 1.01 Definitions.....	3
Section 1.02 Table of Contents, Titles and Headings.....	3
Section 1.03 Interpretation and Construction.....	3
Section 1.04 Content of Certificates and Opinions.....	4
Section 1.05 Appointment of Designated Agent.....	5
ARTICLE II LIMITED OBLIGATIONS.....	5
Section 2.01 Limited Obligations of the Authority.....	5
ARTICLE III AUTHORIZATION AND ISSUANCE OF BONDS, GENERAL TERMS AND PROVISIONS OF THE BONDS.....	6
Section 3.01 Authorization of Bonds.....	6
Section 3.02 Provisions for Issuance of Bonds.....	6
Section 3.03 Application of Bond Proceeds and Other Funds.....	9
Section 3.04 Medium of Payment; Form and Date; Letter and Numbers.....	10
Section 3.05 Legends.....	12
Section 3.06 Execution and Authentication.....	12
Section 3.07 Exchange of Bonds.....	12
Section 3.08 Negotiability, Transfer and Registry.....	12
Section 3.09 Exchanges and Transfers.....	14
Section 3.10 Bonds Mutilated, Destroyed, Stolen or Lost.....	14
Section 3.11 Temporary Bonds.....	15
Section 3.12 Cancellation and Destruction of Bonds.....	15
Section 3.13 Depository for Series 2020A Bonds.....	16
ARTICLE IV REDEMPTION OF BONDS.....	17
Section 4.01 Redemption and Redemption Price.....	17
Section 4.02 Redemption at the Option of the Authority.....	17
Section 4.03 Redemption Otherwise Than at the Option of the Authority.....	18
Section 4.04 Selection of Bonds to Be Redeemed.....	19
Section 4.05 Notice of Redemption.....	19
Section 4.06 Payment of Redeemed Bonds.....	20
Section 4.07 Modification by Supplemental Indenture.....	20
ARTICLE V PLEDGE AND ASSIGNMENT; ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF.....	21
Section 5.01 Security for Bonds; Deposits of Gross Operating Revenues and Other Amounts.....	21
Section 5.02 Establishment of Funds and Accounts.....	22
Section 5.03 Project Fund.....	23

TABLE OF CONTENTS
(continued)

	Page
Section 5.04 Flow of Funds	24
Section 5.05 Transfers to the Debt Service Fund	26
Section 5.06 Debt Service Fund.....	26
Section 5.07 Senior Debt Service Reserve Fund.	27
Section 5.08 Operating Reserve Fund.	27
Section 5.09 Administrative Expenses Fund	28
Section 5.10 Insurance and Tax Escrow Fund.....	28
Section 5.11 Excess Revenue Fund	29
Section 5.12 Rebate Fund.....	29
Section 5.13 Extraordinary Expense Fund.....	29
Section 5.14 Capital Expense Fund.	30
Section 5.15 Insurance and Condemnation Proceeds Fund.	30
Section 5.16 Coverage Reserve Fund	31
Section 5.17 Administration Fee Fund	31
Section 5.18 [Reserved].....	31
Section 5.19 Right of Access to Funds by Project Administrator and Authority.	31
 ARTICLE VI MONEYS HELD IN TRUST, SECURITY FOR DEPOSITS, AND INVESTMENT OF FUNDS	 32
Section 6.01 Moneys Held in Trust	32
Section 6.02 Deposits and Transfers.....	32
Section 6.03 Investment of Funds.....	33
Section 6.04 Valuation and Sale of Investments.	33
 ARTICLE VII PARTICULAR COVENANTS AND REPRESENTATIONS OF THE AUTHORITY.....	 34
Section 7.01 Payment of Bonds.....	34
Section 7.02 Access to the Project.....	34
Section 7.03 [Reserved].....	34
Section 7.04 Power to Enter Into Indenture, Issue Bonds and Pledge Revenues and Other Assets	34
Section 7.05 Maintenance of Existence of the Authority	35
Section 7.06 Limitation on Encumbrances	35
Section 7.07 Limitation on Undertakings	35
Section 7.08 Tax Covenant.....	35
Section 7.09 Limitation on Disposition of Assets	35
Section 7.10 Continuing Disclosure Agreement.....	35
Section 7.11 Rating for the Series 2020A Bonds	35
Section 7.12 Compliance With Law.	36
Section 7.13 [Reserved].....	36
Section 7.14 Insurance.....	36
Section 7.15 [Reserved].....	36
Section 7.16 [Reserved].....	36

TABLE OF CONTENTS
(continued)

	Page
Section 7.17 Disposition of Insurance and Condemnation Proceeds	36
Section 7.18 Operation of the Project	38
Section 7.19 Budgets	39
Section 7.20 Annual Audit of Authority; Quarterly Financial Reports	40
Section 7.21 Project Administrator	40
Section 7.22 [Reserved]	41
Section 7.23 Further Assurances; Enforcement of Documents	41
Section 7.24 Debt Service Coverage; Reports	41
Section 7.25 Public Benefit Agreement	42
ARTICLE VIII DISCHARGE AND DEFEASANCE	42
Section 8.01 Discharge of Indenture	42
Section 8.02 Defeasance	43
ARTICLE IX DEFAULT AND REMEDIES	44
Section 9.01 Rights and Remedies, Generally	44
Section 9.02 Events of Default	44
Section 9.03 Notice of Default; Cure	46
Section 9.04 Specific Remedies	46
Section 9.05 Application of Proceeds	48
Section 9.06 Trustee May Act Without Possession of Bonds	50
Section 9.07 Trustee as Attorney-in-Fact	50
Section 9.08 Remedies Not Exclusive	50
Section 9.09 Limitation on Suits	51
Section 9.10 Right of Controlling Party to Direct Proceedings	51
Section 9.11 Restoration of Rights and Remedies	52
Section 9.12 Waiver of Stay or Extension Laws	52
Section 9.13 Delay or Omission Not Waiver	52
ARTICLE X CONCERNING THE TRUSTEE	52
Section 10.01 Trustee; Appointment and Acceptance of Duties	52
Section 10.02 The Trustee Shall Serve as Paying Agent for the Bonds	52
Section 10.03 Registrars and Other Agents; Appointment and Acceptance of Duties	53
Section 10.04 Responsibilities of the Trustee	53
Section 10.05 Evidence on Which the Trustee May Act	55
Section 10.06 Certain Permitted Acts	57
Section 10.07 Resignation of Trustee	57
Section 10.08 Removal of Trustee	57
Section 10.09 Appointment of Successor Trustee	57
Section 10.10 Transfer of Rights and Property to Successor Trustee	58
Section 10.11 Merger or Consolidation	58
Section 10.12 Adoption of Authentication	58

TABLE OF CONTENTS
(continued)

	Page
Section 10.13 Resignation or Removal of Agents and Appointment of Successors	59
ARTICLE XI SUPPLEMENTAL INDENTURES AND AMENDMENT OF BOND DOCUMENTS	59
Section 11.01 Supplemental Indentures and Amendments of Bond Documents Effective Without Consent of Owners	59
Section 11.02 Supplemental Indentures and Amendments to Bond Documents Requiring Owner Consent.....	61
Section 11.03 Consent of Owners.....	61
Section 11.04 Amendment of Particular Bonds.....	63
Section 11.05 Exclusion of Bonds.....	63
Section 11.06 General Provisions.....	63
Section 11.07 Notation on Bonds	63
Section 11.08 Mailing.....	64
ARTICLE XII [RESERVED].....	64
ARTICLE XIII MISCELLANEOUS.....	64
Section 13.01 Evidence of Signatures of Owners and Ownership of Bonds.....	64
Section 13.02 Money Held for Particular Bonds.....	65
Section 13.03 Preservation and Inspection of Documents.....	65
Section 13.04 Failure to Present Bonds	65
Section 13.05 Parties Interested Herein.....	65
Section 13.06 No Recourse on the Bonds.....	66
Section 13.07 No Authority or Individual Liability.....	66
Section 13.08 Indenture and Supplemental Indentures to Constitute Contracts.....	67
Section 13.09 Notice.....	67
Section 13.10 Governing Law	68
Section 13.11 Entire Agreement; Severability of Invalid Provisions	68
Section 13.12 Successors.....	68
Section 13.13 Business Days.....	68
Section 13.14 Execution in Several Counterparts.....	68
Section 13.15 Non-Liability of Authority.....	68
Section 13.16 No Obligation to Enforce Assigned Rights	69
Section 13.17 Authority's Performance.....	69
Section 13.18 No Impairment of Rights	70

EXHIBITS

EXHIBIT A MASTER GLOSSARY OF TERMS A-1
EXHIBIT B FORM OF INVESTOR REPRESENTATION LETTER..... B-1
EXHIBIT C FORM OF SERIES 2020A BONDS C-1
EXHIBIT D FORM OF SERIES 2020B BONDS D-1
EXHIBIT E FORM OF OPERATING RESERVE FUND REQUEST E-1
EXHIBIT F FORM OF EXTRAORDINARY EXPENSE FUND REQUEST F-1
EXHIBIT G FORM OF PROJECT ACQUISITION ACCOUNT REQUEST G-1
EXHIBIT H FORM OF DIRECTION TO WITHHOLD PREPAID RENTS H-1
EXHIBIT I FORM OF CAPITAL EXPENSE FUND REQUEST I-1
EXHIBIT J FORM OF INSURANCE AND TAX ESCROW FUND REQUEST J-1

TRUST INDENTURE

This TRUST INDENTURE, dated as of December 1, 2020 (this “Indenture”), between CSCDA COMMUNITY IMPROVEMENT AUTHORITY, a joint exercise of powers authority and public entity organized and existing under the laws of the State of California (including its successors and assigns the “Authority”), and WILMINGTON TRUST, NATIONAL ASSOCIATION, a national banking association, which is authorized by law to accept and exercise the trust powers set forth herein, and its successors in trust and assigns (the “Trustee”);

W I T N E S S E T H:

WHEREAS, Authority is a joint exercise of powers entity organized and existing under the laws of the State of California pursuant to the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the “Act”); and

WHEREAS, the Authority is authorized and empowered under the Act and by the Joint Exercise Agreement to, among other things, issue bonds to assist local agencies in financing public capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits for taking that action, including providing (i) demonstrable savings in effective interest rate, bond preparation, bond underwriter, or bond issuance costs, (ii) significant reductions in effective user charges levied by a local agency, (iii) employment benefits from undertaking a project in a timely fashion, or (iv) more efficient delivery of local agency services to residential and commercial development; and

WHEREAS, the Authority finds that its issuance of bonds for the purposes described herein will provide significant public benefits and therefore desires to issue its revenue bonds pursuant to and in accordance with the provisions of the Act, for the purpose of financing costs of acquiring the Project, operating expenses, capitalized interest, paying costs of issuance and funding certain reserves in connection therewith; and

WHEREAS, the Project is located within the territorial limits of the City of Carson, County of Los Angeles, California (the “Project Jurisdiction”), and the Authority has found and determined that the financing of the acquisition of the Project will promote significant public benefits for the Project Jurisdiction, including employment benefits from undertaking the project in a timely fashion, more efficient delivery of local agency services to residential and commercial development and demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs; and

WHEREAS, the Authority will acquire the Project with a portion of the proceeds of the Series 2020 Bonds; and

WHEREAS, the Authority and the Trustee are entering into this Indenture for the purpose of authorizing two series of bonds: the CSCDA Community Improvement Authority Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A (the “Series 2020A Bonds”) and the CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”), the net proceeds of which shall be used to

(i) finance the acquisition of the Project, (ii) fund deposits into the Project Acquisition Account, Series 2020 Capitalized Interest Account, Capital Expense Fund, Operating Reserve Fund, Coverage Reserve Fund, Senior Debt Service Reserve Fund, Extraordinary Expense Fund, and Insurance and Tax Escrow Fund; (iii) fund a portion of Operating Expenses for the Project into the Operating Account under the Property Management Agreement and (iv) pay the costs and expenses incidental to the issuance of the Series 2020 Bonds; and

WHEREAS, it is intended that the Series 2020A Bonds shall be secured under this Indenture on a senior basis to the Series 2020B Bonds, and the Series 2020B Bonds shall be secured under this Indenture on a subordinate basis to the Series 2020A Bonds; and

WHEREAS, the Authority is authorized to issue bonds in the future, at its sole and exclusive discretion, in compliance with the provisions of this Indenture which will be secured on a parity with the Series 2020B Bonds (the “Additional Subordinate Bonds” and, together with the Series 2020B Bonds, the “Subordinate Bonds”); and

WHEREAS, the Series 2020A Bonds and the Subordinate Bonds are together referred to herein as the “Bonds”; and

WHEREAS, the Bonds are further secured by a Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 22, 2020 (the “Mortgage”), executed by the Authority granting a lien on its fee simple interest in the Property, subject to Permitted Encumbrances, to the Trustee for the benefit of the Owners from time to time of the Bonds; and

WHEREAS, the Project will be managed by Standard Renaissance Administrator LLC (the “Project Administrator”) pursuant to the terms and provisions of the Project Administration Agreement between the Authority and the Project Administrator and will be operated by Greystar California, Inc., a Delaware corporation (the “Property Manager”) pursuant to the terms and provisions of the Property Management Agreement between the Authority and the Property Manager; and

WHEREAS, the Trustee has the power to enter into this Indenture and to execute the trust hereby created and has accepted the trust created hereby; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, Redemption Price, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, Redemption Price, if any, and interest on, all Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions. Except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms have the meanings assigned to such terms in the Master Glossary of Terms, dated as of December 1, 2020, attached hereto as **Exhibit A** and by this reference incorporated herein.

Section 1.02 Table of Contents, Titles and Headings. The table of contents, titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Indenture or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.03 Interpretation and Construction. For purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) All references in this Indenture to designated “Exhibits,” “Articles,” “Sections,” “subsections,” “paragraphs,” “clauses” and other subdivisions are to the designated Exhibits, Articles, Sections, subsections, paragraphs, clauses and other subdivisions of this Indenture. The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) The terms defined in **Exhibit A** have the meanings assigned to them in **Exhibit A** and include the plural as well as the singular.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with Generally Accepted Accounting Principles as in effect from time to time.

(d) The term “money” includes any cash, check, deposit, Investment Security or other form in which any of the foregoing are held hereunder.

(e) The term “including” means “including without limitation.”

(f) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent” or similar action hereunder by the Project Administrator, Property Manager, the Trustee or any other agent (excluding the Authority and any Authorized Authority Representative) shall, unless otherwise specifically provided, be in writing signed by an officer or other agent of such party authorized to sign the same on behalf of the applicable entity (and not individually).

(g) In the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and each of the words “to” and “until” means “to but excluding.”

(h) This Indenture and all terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Indenture.

(i) To the extent any inconsistencies exist between any of the provisions contained in this Indenture, the more specific provisions shall control over the more general provisions.

Section 1.04 Content of Certificates and Opinions. Every certificate or opinion (other than legal opinions) provided for in this Indenture with respect to compliance with any provision hereof shall be made on behalf of the entity named therein and not made individually by the person signing such certificate and shall include (1) a statement that the person making or giving such certificate or opinion, on behalf of the entity named therein and not individually, has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the entity’s certificate or opinion is based; (3) a statement that the entity has made or caused to be made such examination or investigation as is necessary to enable the entity to express an informed opinion with respect to the subject matter referred to in the certificate or opinion which such entity is delivering; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Notwithstanding any provision hereof to the contrary, whenever any certificate or opinion is required by the terms of this Indenture to be given by the Authority on its own behalf, any such certificate or opinion may be made or given by an Authorized Authority Representative (and in no event individually) and may be based (i) insofar as it relates to factual matters, upon a certificate of or representation by the Trustee, the Housing Consultant, the Insurance Consultant, the Property Manager or the Project Administrator; and (ii) insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, in each case under clauses (i) and (ii) without further investigation or inquiry by such Authorized Authority Representative or otherwise on behalf of the Authority.

Any such certificate, opinion or representation made or given pursuant to this Indenture may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an accountant, unless (except as provided in the immediately preceding paragraph) the Person giving the certificate, opinion or representation knows that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous in any material respect. Any such certificate or opinion made or given by counsel or an accountant may be based, insofar as it relates to factual

matters (with respect to which information is in the possession of the Authority) upon a certificate or opinion of or representation by an Authorized Authority Representative on behalf of the Authority (and not individually), unless such counsel or accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such Person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same Authorized Authority Representative or officer of the Project Administrator or the Property Manager, or the same counsel or accountant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture, but different representatives of such parties may certify to different matters.

Section 1.05 Appointment of Designated Agent. The Authority hereby appoints Bridge Strategic Partners LLC ("Designated Agent") as its sole and exclusive agent empowered and authorized, in the name of the Authority and on its behalf, to give or receive notices required or permitted by this Indenture, to give or withhold any consents or approvals required or permitted hereby or to impose conditions upon any such consent or approval, to employ Consultants, legal counsel and other professionals and otherwise to charge and incur Administrative Expenses and/or Extraordinary Costs and Expenses; provided, that the Designated Agent shall have no power or authority to (i) amend this Indenture or any Bond Document; (ii) enter into any Supplemental Indenture under either Section 11.01 or 11.02 hereof; (iii) direct the redemption of Bonds or issuance of Additional Bonds; or (iv) commence or institute any action to enforce this Indenture, all of which rights shall be reserved to the Board of Directors of the Authority. The Authority may revoke the designation of the Designated Agent or change and appoint a new Designated Agent at any time in its sole discretion. In the event of a revocation or change in the Designated Agent, the Authority shall provide notice to the Project Administrator and the Trustee; provided, that until the Project Administrator or the Trustee, as the case may be, has received actual notice of any change in the Designated Agent, the Project Administrator or the Trustee, as the case may be, shall be entitled to rely on any consents or approvals given by the previously designated Designated Agent. It is understood and agreed that "Designated Agent" is deemed to be the "Authority", for purposes of giving such consents, approvals and direction, including, without limitation, for purposes of Section 10.03(i) of this Indenture.

ARTICLE II

LIMITED OBLIGATIONS

Section 2.01 Limited Obligations of the Authority. Notwithstanding any other provision hereof, Bonds issued hereunder and any other obligations of the Authority under this Indenture shall be limited obligations of the Authority payable only from moneys available therefor under and in accordance with this Indenture and any applicable Supplemental Indenture.

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THIS INDENTURE. NEITHER THE AUTHORITY, ANY OF ITS MEMBERS, THE STATE OF CALIFORNIA, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE LIMITED EXTENT SET FORTH IN THIS INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE

PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THIS INDENTURE, AND NONE OF THE BONDS OR ANY OF THE AUTHORITY'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE AUTHORITY HAS NO TAXING POWER.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF BONDS, GENERAL TERMS AND PROVISIONS OF THE BONDS

Section 3.01 Authorization of Bonds.

(a) The Authority hereby authorizes the issuance of Bonds, to be designated "CSCDA Community Improvement Authority Revenue Bonds." The aggregate principal amount of the Bonds which may be executed, authenticated and delivered under this Indenture is not limited except as may be provided herein or in any Supplemental Indenture or as may be limited by law.

(b) The Bonds may, as provided herein and in one or more Supplemental Indentures, be issued in one or more Series, and the designation thereof, in addition to the name "CSCDA Community Improvement Authority Revenue Bonds," and an identification of whether such Bonds are secured as Senior Bonds or Subordinate Bonds under this Indenture, shall include such further appropriate particular designation added to or incorporated in such title for the Bonds of any particular Series, as the Authority may determine. Each Bond shall bear upon its face the designations so determined for the Series to which it belongs and whether such Bond constitutes a Senior Bond or Subordinate Bond.

(c) The Bonds shall be issued in such form as may be provided herein or by Supplemental Indenture, and each Bond issued hereunder shall contain a statement to the effect set forth in Section 2.01 together with any restrictions on transfer as required by Section 3.08.

(d) There are hereby authorized to be issued and shall be issued under and secured by this Indenture a Series of Bonds designated as "CSCDA Community Improvement Authority Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A" in an aggregate principal amount of \$67,675,000 and a Series of Bonds designated as "CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B" in an aggregate principal amount of \$3,000,000.

Section 3.02 Provisions for Issuance of Bonds.

(a) All (but not less than all) of the Bonds of each Series shall be executed by the Authority for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered upon the Order of the Authority in Authorized

Denominations, but only upon the receipt by the Trustee of the following items (which upon receipt the Trustee may conclusively rely):

- (i) With respect to the Series 2020 Bonds, an executed copy of this Indenture;
- (ii) an Opinion of Bond Counsel in its customary form to the effect that, as of its date (A) this Indenture and, with respect to Additional Bonds, the Supplemental Indenture authorizing such Additional Bonds, constitutes a valid and binding obligation of, the Authority; (B) such Bonds constitute valid and binding limited obligations of the Authority; and (C) if applicable, interest on such Bonds is excludible from gross income for federal income tax purposes;
- (iii) a certificate of an Authorized Authority Representative, upon which the Trustee may conclusively rely, to the effect that all conditions precedent for the issuance and authentication of such Series of Bonds have been satisfied;
- (iv) in the case of Additional Bonds, an executed copy of the Supplemental Indenture authorizing such Bonds which shall, among other provisions, specify:
 - (A) the authorized principal amount;
 - (B) the dated date and the maturity date or dates of such Additional Bonds;
 - (C) the interest rate or rates, if any, or the manner of determining such interest rate or rates, on such Additional Bonds and the Interest Payment Date or Dates thereof;
 - (D) the denominations of and the manner of dating, numbering and lettering of such Additional Bonds;
 - (E) any capitalized interest requirements (or the method of determining the same) for such Additional Bonds;
 - (F) the Redemption Prices, if any, and the redemption or purchase terms, for such Additional Bonds;
 - (G) [reserved]
 - (H) the form of such Additional Bonds and whether or not such Bonds are subject to the book-entry system;
 - (I) the purpose for which such Additional Bonds are being issued, which shall be solely for the purpose of (I) providing repairs or additional improvements to the Project, (II) refunding one or more Series of Bonds or portion thereof, (III) payment of costs incidental to or connected with any Additional Bond authorized in clauses (I) or (II) above or refunding of any Bonds to be refunded, (IV) making deposits into the

applicable reserve fund or funds, and/or (V) making any deposits into the funds and accounts required by the provision of the Supplemental Indenture authorizing such Additional Bonds;

(J) the application of the proceeds of the sale of such Additional Bonds including the amount, if any, to be deposited in the funds and accounts established hereunder; and

(K) [reserved]

(L) any other provisions deemed advisable by the Authority and not in conflict with the provisions of this Indenture;

(v) a certified copy of the resolution adopted by the Board of the Authority authorizing the issuance and delivery of such Bonds;

(vi) a certificate of an Authorized Authority Representative dated as of the date of issuance of such Series of Additional Bonds stating that there exists no Event of Default hereunder or event which would constitute an Event of Default upon notice and failure to cure pursuant to Section 9.02; and

(vii) such further opinions and instruments as are required by or pursuant to the provisions of this Indenture or any Supplemental Indenture.

(b) One or more Series of Refunding Bonds may, in the Authority's sole discretion, be issued, authenticated and delivered as Subordinate Bonds to refund all or a portion of Outstanding Bonds of one or more Series. Each Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding, including providing amounts for the costs incidental to or connected therewith, and the making of any deposits into a reserve fund and any of the funds and accounts required by the provisions of the Supplemental Indenture authorizing such Series of Refunding Bonds. Refunding Bonds of each Series shall be executed by the Authority for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee upon the Order of the Authority, but only upon the receipt by the Trustee (in addition to the opinions, certificates and instruments required by subsection (a) of this Section) of the following items (upon which receipt the Trustee may conclusively rely):

(i) documents required by Section 8.02 with respect to the Bonds to be refunded by the Refunding Bonds;

(ii) [Reserved];

(iii) unless a Certificate of Reduction of Debt Service is delivered to the Trustee, the written consent of the Controlling Party; and

(iv) such further opinions and instruments as are required by the provisions of Articles XI or by the provisions of any Supplemental Indenture.

(c) Subject to satisfaction of the conditions set forth in this subsection 3.02(c), at the sole and exclusive discretion of the Authority, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of financing or refinancing (excluding Refunding Bonds) the construction, installation and equipping of additions, renovation, betterments, extensions, expansions, repairs or improvements to the Project. Additional Bonds of a Series issued for such purposes shall be issued in a principal amount not to exceed, together with other moneys available therefor, the Authority's estimate of the reasonable costs of the Project to be financed or refinanced with the proceeds of the sale of such Series of Additional Bonds, including providing amounts for the costs incidental to or connected with any such Bonds and the making of any deposits into the applicable reserve fund and any of the funds and accounts required by this Indenture and the Supplemental Indenture authorizing such Series of Additional Bonds. Additional Bonds of each Series that do not otherwise constitute Refunding Bonds under subsection (b) of Section 3.02 shall be executed by the Authority for issuance under this Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee upon the Order of the Authority, but only upon the receipt by the Trustee (in addition to the opinions and instruments required by subsection (a) of Section 3.02) of a Certificate of the Project Administrator (upon which receipt the Trustee may conclusively rely in determining whether the conditions precedent for the issuance and authentication of such Series of Additional Bonds have been satisfied) based on the most recent Audited Financial Statements evidencing for the 12 month-period covered in such Audited Financial Statements a Debt Service Coverage Ratio of 1.25:1.00 (including the projected debt service on the proposed Additional Bonds as part of Debt Service).

Section 3.03 Application of Bond Proceeds and Other Funds.

(a) The Trustee shall apply the net proceeds from the sale of the Series 2020A Bonds in the amount of \$77,768,726.25 (consisting of \$67,675,000.00 aggregate principal amount of the Series 2020A Bonds, plus an original issue premium of \$10,093,726.25), as follows:

(i) \$3,383,750.00, representing the Senior Reserve Fund Requirement shall be deposited into the Senior Debt Service Reserve Fund;

(ii) \$4,278,451.25 shall be deposited into the Series 2020 Costs of Issuance Account of the Project Fund and applied to the payment of Costs of Issuance;

(iii) \$66,505,500.00 shall be deposited into the Project Acquisition Account of the Project Fund;

(iv) \$301,000.00 shall be deposited in the Operating Reserve Fund;

(v) \$987,000.00 shall be deposited in the Series 2020 Capitalized Interest Account of the Project Fund;

(vi) \$1,000,000.00 shall be deposited in the Capital Expense Fund;

(vii) \$700,000.00 shall be deposited in the Coverage Reserve Fund;

- (viii) \$500,000.00 shall be deposited in the Extraordinary Expense Fund; and
- (ix) \$113,025.00 shall be deposited in the Insurance and Tax Escrow Fund.

(b) The Trustee shall deliver the Series 2020B Bonds to Standard Faring Workforce LLC, a California limited liability company, as payment of a portion of the purchase price of the Project.

(c) The proceeds, including accrued interest, if any, of Additional Bonds together with any other moneys provided by the Authority, shall be applied by the Trustee simultaneously with the delivery of such Bonds in the manner provided in the Supplemental Indenture authorizing such Series of Additional Bonds.

Section 3.04 Medium of Payment; Form and Date; Letter and Numbers.

(a) The Bonds shall be payable, as to principal and interest in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest on the Series 2020 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on any Series of Additional Bonds shall be computed as provided in the Supplemental Indenture authorizing such Series of Additional Bonds.

(b) Each Series 2020 Bond shall be issued only as a fully registered Bond. Each Series 2020A Bond shall be substantially in the form of **Exhibit C** hereto, with such changes therein that are not inconsistent with this Indenture. Each Series 2020B Bond shall be substantially in the form of **Exhibit D** hereto, with such changes therein that are not inconsistent with this Indenture. Additional Bonds may be issued in such form or forms as shall be provided in the Supplemental Indenture authorizing such Series of Additional Bonds.

(c) The Series 2020A Bonds shall be numbered consecutively from RA-1 upward, and the Series 2020B Bonds shall be numbered consecutively from RB-1 upward, or in such other manner as the Authority, with the concurrence of the Trustee, shall determine. The Trustee shall insert the date of authentication of each Bond in the place provided for such purpose in the form of certificate of authentication of the Trustee to be printed on each Bond. If interest on the Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Bonds surrendered. Each Additional Bond shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture authorizing the Series of which such Additional Bond is a part and so as to be distinguished from every other Bond.

(d) The Series 2020A Bonds shall be dated the Closing Date, shall be issued as a term bond in Authorized Denominations, shall be issued at the annual rate set forth below, payable on each Interest Payment Date, and shall mature, subject to prior redemption, as set forth below.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2051	\$ 67,675,000	5.0%

(e) The Series 2020B Bonds shall be dated the Closing Date, shall be issued as a term bond in Authorized Denominations, shall be issued at the annual rate set forth below, payable on each Subordinate Bond Interest Payment Date, and shall mature, subject to prior redemption, as set forth below.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2056	\$3,000,000	10.0%

Interest payments due on each Subordinate Interest Payment Date of the Series 2020B Bonds will be the lesser of (i) \$300,000 and (ii) 10% per annum of the remaining Outstanding principal amount of the Series 2020B Bonds.

Each Series of Additional Bonds shall be dated as of, and bear interest from, such date or dates as shall be provided in the Supplemental Indenture authorizing such Series of Additional Bonds.

(f) The following provisions apply to the Series 2020 Bonds except as otherwise provided in any arrangements with DTC as set forth in Section 3.13 with respect to the Series 2020A Bonds and all Additional Bonds, unless with respect to any Additional Bonds the Supplemental Indenture authorizing such Additional Bonds provides otherwise:

(i) interest on Bonds other than interest payable at maturity or on a Redemption Date shall be paid to the Person in whose name such Bond is registered on the Register at the close of business on the Record Date for such Interest Payment Date; payment of interest on Bonds other than interest payable at maturity or on a Redemption Date shall be made by check of the Trustee mailed to the Owners thereof at their addresses set forth in the Register as of the Record Date, or by wire transfer to Owners of \$1,000,000 or more in aggregate principal amount of Bonds at such wire transfer address in the United States as such Owner shall specify in writing requesting payment by wire transfer delivered to the Trustee prior to the Record Date;

(ii) payment of principal of Bonds at maturity or on a Redemption Date shall be paid upon presentation and surrender of such Bonds at the Trustee's Principal Office; and

(iii) no payment of principal shall be made on any Bond unless and until such Bond is tendered to the Trustee for cancellation; provided, that the Trustee may agree with any Owner that such Owner may, in lieu of surrendering the same for a new Bond, endorse on such Bond a record of partial payment of the principal of such Bond and the Trustee will pay the principal of such Bond by wire transfer to such Owner in accordance with the wire transfer instructions provided to the Trustee from time to time. The Trustee shall maintain a record of each such partial payment made in accordance with the foregoing agreement and such record shall be conclusive. Such partial payment shall be valid upon payment of the amount thereof to the Owner of such Bond, and the Authority and the Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon such Bond by the Owner thereof and irrespective of any error or omission in such endorsement.

Section 3.05 Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission, brokerage board, municipal securities rulemaking board, the Act, the policies and procedures of the Authority, or otherwise, including without limitation a legend setting forth the restrictions on transfer under Section 3.08.

Section 3.06 Execution and Authentication.

(a) The Bonds shall be signed in the name of the Authority by an Authorized Signatory or by his or her manual or facsimile signature. In case any such Authorized Signatory shall have signed any of the Bonds shall cease to hold such office before the Bonds so signed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices. Any Bond of a Series may be signed on behalf of the Authority by such persons who at the time of the execution of such Bonds shall be duly appointed as Authorized Signatories, although at the date borne by or of delivery of the Bond or Bonds of such Series such persons may not have been so appointed.

(b) Only such Bonds as shall have endorsed thereon a certificate of authentication, substantially in the form set forth in **Exhibit C** hereto with respect to the Series 2020A Bonds, or **Exhibit D** hereto with respect to the Series 2020B Bonds, and in the form set forth in the Supplemental Indenture authorizing Additional Bonds with respect to such Additional Bonds, dated as of the date of authentication and duly authenticated by the Trustee shall be entitled to any right, security or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of the trust hereby created. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed by it if (i) signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds or on all of the Bonds of any Series issued hereunder and (ii) the date of authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

Section 3.07 Exchange of Bonds. Unless otherwise provided in any Supplemental Indenture, Bonds, upon surrender thereof at the designated office of the Registrar, when surrendered with a Request satisfactory to the Registrar duly executed by the Owner or the Owner's duly authorized attorney, may, at the option of the Owner thereof, and upon payment by such Owner of any charges which the Registrar or the Authority may make as provided in Section 3.09, be exchanged for an equal aggregate principal amount of Bonds of the same Series, lien priority and maturity and in any Authorized Denomination.

Section 3.08 Negotiability, Transfer and Registry. Unless otherwise provided in any Supplemental Indenture, Bonds shall be transferable only upon the Register, which shall be kept for that purpose at the designated office of the Registrar for such Series of Bonds, by the Owner

thereof, in person or by the Owner's attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Owner or the Owner's duly authorized attorney.

The Registrar shall keep or cause to be kept, on behalf of the Authority, the Register, in which, subject to such reasonable regulations as the Authority, the Trustee, and the Registrar may prescribe, the Registrar shall cause Bonds to be registered and shall transfer Bonds as in this Article provided. The Register shall contain the name and address of the Owner of each Bond as well as the name and address of each Beneficial Owner to the extent such Beneficial Owner provides such information in writing to the Registrar. Upon the transfer of any such Bond and payment of any required fees, the Registrar shall issue in the name of the transferee a new fully registered Bond or Bonds of the same aggregate principal amount, Series, lien priority and maturity as the surrendered Bond.

The Authority and the Trustee may deem and treat the person in whose name any Bond shall be registered in the Register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price of and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon the Owner's order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the Authority and the Trustee shall not be affected by any notice to the contrary.

Notwithstanding any provision of this Indenture to the contrary, each initial Beneficial Owner of the Series 2020 Bonds shall be a Qualified Institutional Buyer, an Institutional Accredited Investor (with respect to the Series 2020A Bonds) or an Accredited Investor (with respect to the Series 2020B Bonds), which Qualified Institutional Buyer, Institutional Accredited Investor (with respect to the Series 2020A Bonds) or Accredited Investor (with respect to the Series 2020B Bonds) has provided an Investor Representation Letter substantially in the applicable form set forth in Exhibit B hereto to the Trustee and Authority upon its initial purchase of any Series 2020 Bond. The initial Beneficial Owners of the Series 2020B Bonds shall be the Project Administrator or, as directed by the Project Administrator, affiliates of the Project Administrator (including the affiliates' employees and partners) that are Qualified Institutional Buyers or Accredited Investors and provide an Investor Representation Letter. No Investor Representation Letter shall be required to be delivered in connection with subsequent transfers of the Series 2020 Bonds.

The Series 2020 Bonds may only be sold or transferred in Authorized Denominations to Qualified Institutional Buyers, Institutional Accredited Investors (with respect to the Series 2020A Bonds), or Accredited Investors (with respect to the Series 2020B Bonds), or a trust or custodial arrangement in which all of the beneficial owners are either Qualified Institutional Buyers, Institutional Accredited Investors (with respect to the Series 2020A Bonds), or Accredited Investors (with respect to the Series 2020B Bonds); provided, however, that notwithstanding anything to the contrary in this Section or otherwise, without the consent of the Authority (which it may withhold for any reason or no reason), no less than 51% of the Series 2020B Bonds shall at all times be held by Standard Renaissance Administrator LLC, Standard Faring Workforce LLC or a current affiliate of the Project Administrator owned or controlled by or under common

ownership or control with the Project Administrator. This limitation on transfers of the Series 2020B Bonds shall remain in effect after termination of the Project Administration Agreement unless terminated by the Authority.

Notice of the foregoing restrictions on transfers only to Qualified Institutional Buyers or Institutional Accredited Investors (with respect to the Series 2020A Bonds) or Accredited Investors (with respect to the Series 2020B Bonds) shall be printed on the face of each Series 2020 Bond. The Trustee shall not be responsible for confirmation that a prospective Owner or Beneficial Owner of any Bond meets the foregoing requirements.

Any purported transfer of a Series 2020 Bond in violation of the foregoing restrictions shall be void *ab initio*.

Section 3.09 Exchanges and Transfers. Except as otherwise provided in any Supplemental Indenture, in all cases in which the privilege of exchanging or transferring Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All registered Bonds surrendered in any exchange or transfer shall forthwith be canceled by the Trustee. For every such transfer of Bonds pursuant to Section 3.08, whether temporary or definitive, the Authority, the Trustee or the Registrar may make a charge sufficient to reimburse it or them for any expense, tax, fee or other governmental charge required to be paid with respect to such transfer. In addition, for every exchange of Bonds (other than the exchange of temporary Bonds for definitive Bonds), the Authority, the Trustee or the Registrar may make reasonable charges to cover the costs of printing Bonds including any Trustee's or Registrar's charges in connection therewith. The payment of the sum or sums provided in this Section shall be made by the Owner requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Except as may be otherwise provided in a Supplemental Indenture, the Registrar shall not be required to transfer or exchange Bonds for a period from the 15th day of the month next preceding any Interest Payment Date or Principal Payment Date of such Bond through such Interest Payment Date or Principal Payment Date nor to transfer or exchange any Bond after notice calling such Bond or portion thereof for redemption has been given as herein provided nor during the period of 15 days next preceding the giving of such notice.

Section 3.10 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bonds shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, lien priority, maturity date, principal amount and interest rate as the Bond so mutilated, lost, stolen or destroyed, provided that (a) in the case of any mutilated Bond, such Bond is first surrendered to the Trustee, (b) in the case of any lost, stolen or destroyed Bond, there is first furnished evidence of such loss, theft or destruction satisfactory to the Trustee together with indemnity satisfactory to the Trustee, (c) all other reasonable requirements of the Authority and the Trustee are complied with, and (d) expenses in connection with such transaction are paid by the Owner. Except as provided in Section 3.09, all Bonds so surrendered to the Trustee shall be canceled by it. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Authority, whether or not the Bonds alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall

be equally secured by and entitled to equal and proportionate benefits in the Revenues and other assets pledged under this Indenture with all other Bonds issued under this Indenture, to the same extent provided herein and subject to the terms and priority set forth herein. If, after the delivery of such new Bond, a bona fide purchaser of the original Bond in lieu of which such new Bond was issued presents for payment or registration such original Bond, the Trustee shall be entitled to recover such new Bond from the Person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Authority or the Trustee in connection therewith.

Section 3.11 Temporary Bonds. Until the definitive Bonds of any Series are prepared, the Authority may execute, in the same manner as is provided in Section 3.06, and, upon the Request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to denomination, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations as provided herein or in a Supplemental Indenture, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The Authority at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds, the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive Bonds of the same aggregate principal amount and Series and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

If the Authority shall authorize the issuance of temporary Bonds in more than one denomination, the Owner of any temporary Bond or Bonds may, at said Owner's option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series, lien priority and maturity of any other Authorized Denomination or Denominations, and thereupon the Authority shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges as provided for in Section 3.09, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other Authorized Denomination or Denominations as shall be requested by such Owner.

All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

Section 3.12 Cancellation and Destruction of Bonds. Except as otherwise provided in this Indenture or any Supplemental Indenture, all Bonds paid in full, either at or before maturity, or purchased pursuant to Section 5.06, shall be delivered to the Trustee when such payment or purchase is made, and such Bonds shall thereupon be promptly canceled. Bonds so canceled shall thereafter be treated in accordance with the Trustee's document retention policies.

Section 3.13 Depository for Series 2020A Bonds.

(a) The Series 2020A Bonds shall be initially executed and delivered in the form of a separate, single, authenticated, fully registered bond for each separate stated maturity of the Series 2020A Bonds, each such bond to be in the full principal amount of Series 2020A Bonds with such stated maturity. Upon initial execution, authentication and delivery, the ownership of such Series 2020A Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC, the Depository for the Series 2020A Bonds. The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive Owner of the Series 2020A Bonds registered in its name for the purposes of payment of the principal of and interest on the Series 2020A Bonds, selecting the Series 2020A Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Series 2020A Bonds under this Indenture, registering the transfer of Series 2020A Bonds, obtaining any consent or other action to be taken by the Owner of Series 2020A Bonds and for all other purposes whatsoever, and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2020A Bonds under or through DTC or any Participant, or any other Person, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal of or interest on the Series 2020A Bonds; any notice that is permitted or required to be given to the Owners of the Series 2020A Bonds under this Indenture; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Series 2020A Bonds; or any consent given or other action taken by DTC (or its nominee) as the Owner of the Series 2020A Bonds. So long as DTC (or its nominee) is the Owner of all Series 2020A Bonds, the Trustee shall pay all principal and of, and interest on, the Series 2020A Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal of and interest on the Series 2020A Bonds to the extent of the sum or sums so paid and all notices required to be sent to the Owners may be sent by electronic means. Except under the conditions specified in subsection (b) of this Section, no Person other than DTC or its nominee shall receive authenticated Series 2020A Bonds. Upon delivery by DTC to the Trustee of written notice to such effect, DTC may substitute a new nominee in place of Cede & Co., or any successor nominee, and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(b) If (i) DTC or any successor as Depository for the Series 2020A Bonds determines not to continue to act as Depository for the Series 2020A Bonds or (ii) the Authority determines that the incumbent Depository for the Series 2020A Bonds shall no longer so act, and the Authority delivers a Certificate of an Authorized Authority Representative to the Trustee to that effect, then the Authority shall discontinue the book-entry system with the incumbent Depository for the Series 2020A Bonds. If the Authority determines to replace the incumbent Depository for the Series 2020A Bonds with another Depository, the Authority shall prepare or direct the preparation of a new single, separate fully registered Series 2020A Bond for the aggregate Outstanding principal amount of Series 2020A Bonds of each maturity to be registered in the name of such successor Depository, or its nominee, or make such other arrangements acceptable to the Authority, the Trustee and the successor Depository for the Series 2020A Bonds as are not inconsistent with the provisions of this Indenture. If the Authority fails to identify a successor Depository for the Series

2020A Bonds to replace the incumbent Depository, then the Series 2020A Bonds shall no longer be restricted to being registered in the bond register in the name of the incumbent Depository or its nominee, but shall be registered in whatever name or names the incumbent Depository for the Series 2020A Bonds, or its nominee, shall designate in accordance with the provisions of subsection (a) of this Section. In such event the Authority shall, at its expense, prepare, execute and deliver a sufficient quantity of Series 2020A Bonds to the Trustee for authentication and delivery at the Authority's Direction to carry out the transfers and exchanges provided in this Section and Section 3.09. All such Series 2020A Bonds shall be in fully registered form in Authorized Denominations.

(c) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2020 Bond is registered in the name of DTC, or its nominee, all payments with respect to principal of and interest on, such Series 2020 Bond, and all notices with respect to such Series 2020 Bond, shall be made and given, respectively, as appropriate or necessary with respect to the arrangements made with DTC relating to the Series 2020A Bonds.

(d) In connection with any notice or other communication to be provided to Owners of the Series 2020A Bonds pursuant to this Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Owners of the Series 2020A Bonds, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent practicable.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Redemption and Redemption Price. Bonds subject to redemption prior to maturity shall be redeemable, upon notice as provided in this Article unless a different notice provision is provided for in a Supplemental Indenture, on such Redemption Dates, at such Redemption Prices and upon such terms in addition to the terms contained in this Article, as may be specified herein with respect to the Series 2020 Bonds or in the Supplemental Indenture authorizing Additional Bonds with respect to such Additional Bonds.

Section 4.02 Redemption at the Option of the Authority.

(a) The Series 2020A Bonds shall be subject to redemption at the sole option of the Authority, in whole or in part on any date on or after July 1, 2031, from Eligible Funds, at a Redemption Price equal to the principal amount of Series 2020A Bonds called for redemption, without premium, plus accrued interest with respect thereto to the date fixed for redemption.

(b) The Series 2020B Bonds shall be subject to redemption at the sole option of the Authority, in whole or in part on any date on or after July 1, 2031, from any legally available funds, at the Redemption Prices (expressed as a percentage of the principal amount thereof) shown below, plus accrued interest with respect thereto to the date fixed for redemption, provided that no

Series 2020B Bonds will be optionally redeemed unless and until no Series 2020A Bonds remain Outstanding.

<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 2031 through June 30, 2051	110%
July 1, 2051 through July 1, 2056	100%

(c) In the case of any redemption of Bonds at the sole option of the Authority, an Authorized Authority Representative shall give written notice to the Trustee of the Authority's Direction so to redeem, of the Redemption Date, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed (which Series, maturities, and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto as are contained in Section 4.04). Such notice shall be given at least ten Business Days prior to the date on which notice of redemption is required to be given to the Owners of the Bonds to be redeemed or within such shorter period as shall be provided by Supplemental Indenture or consented to by the Trustee. On or prior to any Redemption Date, there shall be paid to the Trustee for deposit into the appropriate Redemption Account an amount which, in addition to other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem on the Redemption Date at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, all of the Bonds called for redemption.

Section 4.03 Redemption Otherwise Than at the Option of the Authority.

(a) The Bonds shall be subject to extraordinary mandatory redemption at the Direction of the Authority pursuant to Sections 5.15(b) and 7.17, in whole or in part on the earliest date following the date for which notice of redemption can be given as provided in this Indenture, at a Redemption Price equal to the principal amount of Bonds to be redeemed plus interest accrued thereon to the date fixed for redemption, without premium, from proceeds of insurance (including any title insurance), or condemnation awards permitted or required to be applied to such redemption under Section 7.17; provided, that no Subordinate Bonds shall be redeemed pursuant to this subsection unless and until no Senior Bonds remain Outstanding.

(b) The Bonds shall be subject to special mandatory redemption, in whole or in part, on each Interest Payment Date, from amounts held in the Excess Revenue Fund (provided that the amount thereof at least equals an Authorized Denomination), pro rata, at a Redemption Price of 100% of the principal amounts thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption; provided, that no Subordinate Bonds shall be redeemed pursuant to this subsection unless and until no Senior Bonds remain Outstanding.

(c) Whenever by the terms of this Indenture or any Supplemental Indenture the Trustee is required or authorized to redeem Bonds other than at the option of the Authority, the Trustee shall select the Bonds to be redeemed pro rata, give the notice of redemption and pay, out of moneys available therefor, the Redemption Price thereof, plus interest accrued and unpaid to the Redemption Date, to the Authority and to the Owners of Bonds to be redeemed in accordance with the terms of this Indenture and any Supplemental Indenture provided that no Subordinate Bonds

shall be redeemed pursuant to this subsection unless and until no Senior Bonds remain Outstanding.

Section 4.04 Selection of Bonds to Be Redeemed. If less than all of the Bonds of a Series subject to optional redemption are called for redemption, such redemption shall be applied on a pro rata basis to the principal amount of all Outstanding Bonds of such Series, without differentiation by maturity or within a maturity. If less than all of the Bonds of a single maturity within the same Series are to be redeemed, the Bonds of such Series to be redeemed will be selected on a pro rata basis unless otherwise provided by the Supplemental Indenture authorizing that Series of Additional Bonds; provided, that the portion of any Bond of a Series of a denomination greater than the minimum Authorized Denomination for the Bonds of such Series to be redeemed shall be redeemed in part only in an Authorized Denomination and that, in selecting portions of Bonds of a Series for redemption, the Trustee shall treat each Bond of such Series as representing that number of Bonds of the minimum Authorized Denomination for such Series which is obtained by dividing the principal amount of such Bond to be redeemed in part by the minimum Authorized Denomination for such Series.

Section 4.05 Notice of Redemption.

(a) Notice of mandatory and optional redemption of Bonds shall be given in accordance with this Section. When the Trustee shall have received from the Authority a Direction to redeem Bonds, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the Redemption Date and the place or places where amounts due upon such Redemption Date will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notices shall also specify the respective portions of the principal amounts thereof to be redeemed. Such notice shall further state that on such Redemption Date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof, or the Redemption Price of the specified portions of the principal thereof, in the case of Bonds to be redeemed in part only, together with interest accrued to the Redemption Date, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall (i) in the case of optional and extraordinary mandatory redemption pursuant to Sections 4.02 and 4.03(a) hereof, mail a copy of such notice, first class mail postage prepaid, not less than 30 days nor more than 60 days before the Redemption Date (or such shorter period as shall be provided by Supplemental Indenture) to the Owners of any registered Bonds, or portions of registered Bonds that are to be redeemed, at their last addresses, if any, appearing upon the Register, and (ii) in the case of special mandatory redemption pursuant to Section 4.03(b) hereof, provide notice on EMMA on the date of redemption, which notice shall set forth the amount of Series 2020A Bonds being redeemed.

(b) In addition to the notice of redemption required pursuant to the preceding paragraph, if any of the Bonds are to be redeemed pursuant to Sections 4.02 and 4.03(a) hereof, then, upon the Request of the Authority received at least 40 days before the date fixed for redemption, the Trustee shall also give redemption notice at least 30 days before the date fixed for redemption, by (i) registered or certified mail, return receipt requested, postage prepaid, (ii)

telephonically confirmed facsimile transmission, (iii) overnight delivery service, or (iv) electronic mail with electronic mail confirmation, to the Securities Depositories and/or EMMA or its successor or replacement therefor, in each case as specified by the Authority.

(c) Redemption notices may be conditional, with applicable conditions specified in any such notice, and the Authority may, at its option at least five (5) days prior to the date fixed for redemption in any notice of redemption, rescind and cancel such notice of redemption by Request to the Trustee and the Trustee shall distribute, in the same manner as the original notice, notice of such cancellation to the recipients of the notice of redemption being cancelled.

(d) Failure to give the notices described in this Section, or any defects therein, shall not in any manner affect the validity of any proceedings for redemption of any other Bonds for which such notice has been duly given, or for the rescission of such redemption notice. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bonds or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers.

Section 4.06 Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 4.05, the Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Date so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date, and upon presentation and surrender thereof at the office specified in such notice. If there shall be called for redemption less than all of the principal of any Bond, the Authority shall execute and the Trustee shall authenticate, upon the surrender of such Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, Bonds of like Series and maturity in any Authorized Denomination. If, on the Redemption Date, moneys for the redemption of all the Bonds or portions thereof of any like Series and maturity to be redeemed, together with interest to the Redemption Date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date interest on the Bonds or portions thereof of such Series and maturity so called for redemption shall cease to accrue and become payable. If such moneys shall not be so available on the Redemption Date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne interest at had they not been called for redemption.

Section 4.07 Modification by Supplemental Indenture. The provisions of this Article may be modified by any Supplemental Indenture in respect of any Series of Additional Bonds authorized thereby, and in the event of any conflict with the provisions hereof the provisions of such Supplemental Indenture shall control in respect of any Series of Additional Bonds authorized thereby provided however that nothing in any Supplemental Indenture shall modify or control any Series 2020 Bonds except as otherwise set forth in Article XI hereto.

ARTICLE V

PLEDGE AND ASSIGNMENT; ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 5.01 Security for Bonds; Deposits of Gross Operating Revenues and Other Amounts. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, there are hereby pledged to secure the payment of the principal of, Redemption Price, if any, and interest on the Senior Bonds, and subject to the priority of the Senior Bonds to secure the payment of the principal of, Redemption Price, if any, and interest on the Subordinate Bonds, in accordance with their terms and the provisions of this Indenture, all of the (i) Revenues and (ii) any other amounts (including proceeds of the sale of Bonds) held by the Trustee in any Fund or Account established pursuant to this Indenture (other than the Rebate Fund and the Extraordinary Expense Fund). Said pledge shall immediately attach thereto and shall be effective, binding and enforceable from and after the time of the delivery by the Trustee of the first Bonds authenticated and delivered under this Indenture. Pursuant to the Act, the security so pledged and any assignment then or thereafter received by the Trustee from the Authority as security for the Bonds shall immediately be subject to the lien of such pledge and assignment and the lien of such pledge and assignment shall be valid and binding against the Authority, purchasers thereof, creditors and all other parties having claims against the Authority irrespective of whether such parties have notice thereof and without the need for any physical delivery, recordation, filing, or further act.

(a) (i) The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by, or by a Person other than the Trustee on behalf of, the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee.

(ii) As additional security for the Holders from time to time of the Senior Bonds and subject to the priority of the Senior Bonds in accordance with this Indenture, the Subordinate Bonds, the Authority hereby transfers in trust, grants a lien on and security interest in and assigns to the Trustee, all of the right, title and interest of the Authority in the Project, the Property Management Agreement and the Project Administration Agreement, including all proceeds thereof and all security interests provided for therein. Said pledge shall immediately attach thereto and shall be effective, binding and enforceable from and after the time of the delivery by the Trustee of the first Bonds authenticated and delivered under this Indenture. Pursuant to the Act, the security so pledged and any assignment then or thereafter received by the Trustee from the Authority as security for the Bonds shall immediately be subject to the lien of such pledge and assignment and the lien of such pledge and assignment shall be valid and binding against the Authority, purchasers thereof, creditors and all other parties having claims against the Authority irrespective of whether such parties have notice thereof and without the need for any physical delivery, recordation, filing, or further act. The Trustee shall have the right to exercise any right of the Authority (other than the Unassigned Rights), to give any consent or notice, to take any act or refrain from taking any act, to enforce and otherwise act, in the full place and stead of the Authority in, under or pursuant to the Property Management Agreement and the Project

Administration Agreement (and in order to do so, the Authority grants the Trustee an irrevocable power of attorney, coupled with an interest, to use Authority's name and to so act).

(b) The Authority shall transfer, or cause to be transferred, to the Trustee for deposit in the Revenue Fund, as long as any of the Bonds remain Outstanding, all of the Gross Operating Revenues as calculated on a cash basis, as soon as practicable upon receipt (but in no event less often than once each week). All such Gross Operating Revenues deposited with the Trustee in the Revenue Fund shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture.

(c) Any such amounts collected or received by, or by a Person other than the Trustee or the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be caused to be paid by the Authority to the Trustee for deposit in the Revenue Fund.

(d) To secure the payment of the Senior Bonds, and subject to the priority of the Senior Bonds in accordance with this Indenture, the Subordinate Bonds, and the performance by the Authority of its other obligations under this Indenture, the Authority has entered into the Mortgage. The Trustee shall also be entitled to and subject to the provisions of this Indenture, may take all steps, actions and proceedings to enforce, either jointly with the Authority or separately, all of the rights and all of the obligations of the Authority under the Mortgage.

(e) The Trustee also may, and shall, at the Direction of the Controlling Party (upon the occurrence and during the continuance of an Event of Default hereunder), subject to the provisions of this Indenture, take all steps, actions and proceedings to enforce (i) either jointly with the Authority or separately, all of the rights and all of the obligations of the Authority under this Indenture (other than the Unassigned Rights), and (ii) all rights of the Trustee and the Owner under the Mortgage, the Property Management Agreement and the Project Administration Agreement, except in either case, for the Unassigned Rights, the enforcement of which shall be reserved to the Authority or the applicable Authority Indemnified Persons.

Section 5.02 Establishment of Funds and Accounts. The Authority hereby establishes the following Funds and Accounts, all of which shall be held by the Trustee:

(a) "Project Fund," and within such Fund the "Project Acquisition Account," the "Series 2020 Capitalized Interest Account" and the "Series 2020 Costs of Issuance Account";

(b) "Revenue Fund";

(c) "Debt Service Fund," and within such fund a "Senior Debt Service Account," a "Senior Redemption Account," a "Subordinate Debt Service Account" and a "Subordinate Redemption Account";

(d) "Rebate Fund";

(e) "Extraordinary Expense Fund";

- (f) “Capital Expense Fund”;
- (g) “Insurance and Tax Escrow Fund”;
- (h) “Senior Debt Service Reserve Fund”;
- (i) “Operating Reserve Fund”;
- (j) “Coverage Reserve Fund”;
- (k) “Administration Fee Fund”;
- (l) “Administrative Expenses Fund”; and
- (m) “Excess Revenue Fund.”

At the direction of the Authority, the Trustee may create any other Funds or Accounts hereunder, to be held in trust for the benefit of the Owners of the Bonds, to carry out the purposes of this Indenture; provided, that the creation of any such Funds or Accounts shall not adversely affect the rights of any Owner or affect the rights and obligations of the Trustee or the Authority or Authority Indemnified Persons, without the prior written consent of the Controlling Party or the Authority, as the case may be, and provided that the creation of such Fund or Account will not, in and of itself, cause the interest on any of the Bonds to become includable in gross income for federal income tax purposes.

Not later than the 10th calendar day of each month, the Trustee shall provide the Authority and the Project Administrator with a monthly statement of (i) the amounts on deposit in the Funds and Accounts as of the last calendar day of the prior month and, (ii) if applicable, the amounts of any deficiencies in such Funds and Accounts that are known by the Trustee.

Section 5.03 Project Fund.

(a) The Trustee shall pay into the Project Acquisition Account of the Project Fund the amounts required to be so paid by the provisions of this Indenture and any Supplemental Indenture. The Trustee shall make disbursements of amounts in the Project Acquisition Account pursuant to and in accordance with a Request of the Project Administrator in substantially the form of **Exhibit G** hereto for the purposes of paying a portion of the purchase price of the Project or transferring moneys temporarily deposited therein to accounts held under the Property Management Agreement or other accounts as set forth in the Request of the Project Administrator. The Trustee may fully rely upon any such Request of the Project Administrator in disbursing funds from the Project Acquisition Account and shall have no obligation to determine if the amounts disbursed are properly applied for the purposes set forth therein.

(b) On the Business Day prior to each Interest Payment Date, commencing with the first Interest Payment Date following the Closing Date, the Trustee shall transfer from the Series 2020 Capitalized Interest Account of the Project Fund to the Senior Debt Service Account, without submission of any Request of the Project Administrator or any other party, the amount necessary

to pay interest due on the Series 2020A Bonds on the next succeeding Business Day, after taking into account all amounts then on deposit in the Senior Debt Service Account, including by way of transfers from the Revenue Fund made since the preceding Interest Payment Date. If at any time, the Trustee receives a Certificate of the Project Administrator based on the most recent Audited Financial Statements evidencing for the 12 month-period covered in such Audited Financial Statements a Debt Service Coverage Ratio of at least 1.20:1.00, and provided that no Event of Default under the Indenture shall have occurred and is continuing, the balance of the Series 2020 Capitalized Interest Account shall be transferred to the Revenue Fund. Upon such transfer, the Series 2020 Capitalized Interest Account shall be closed.

(c) The Trustee shall distribute amounts in the Series 2020 Costs of Issuance Account as directed in writing by the Authority to pay the Costs of Issuance for the Series 2020 Bonds. Upon the earlier to occur of (i) the delivery to the Trustee of a Certificate from the Authority stating that all Costs of Issuance for the Series 2020 Bonds have been paid or duly provided for or (ii) June 1, 2021, the Trustee shall close the Series 2020 Costs of Issuance Account and shall transfer all amounts remaining therein to the Revenue Fund.

(d) [Reserved].

(e) [Reserved].

(f) Any amounts remaining in such Project Fund after the closure of all Accounts in the Project Fund shall be transferred by the Trustee to the Revenue Fund under this Indenture. Upon such transfer, the Project Fund shall be closed.

Section 5.04 Flow of Funds. Except as otherwise provided in Section 9.05, on each Funds Transfer Date, the Trustee shall make the deposits, transfers or payments indicated below from amounts then on deposit in the Revenue Fund (provided that, in the event the Trustee has received moneys attributable to future months, the Trustee shall withhold such moneys pursuant to a Direction of the Project Administrator in substantially the form attached as Exhibit H hereto, and provided further that in the event the Trustee has received moneys attributable to more than one Operating Year, the Trustee shall make the transfer in the Operating Year to which such moneys are attributable, as directed by the Project Administrator), in the priority listed below (including curing any existing deficiency in deposits, transfers or payments required in prior months), the requirements of each Fund, deposit, transfer or payment of each priority to be fully satisfied, leaving no deficiencies, prior to any deposit, transfer or payment later in priority, unless as otherwise expressly provided below:

First, to the Operating Account one-twelfth of the amount specified in the Operating Plan and Budget for the Budgeted Operating Expenses less Insurance Costs and Taxes as certified by the Project Administrator in writing to the Trustee;

Second, to the Insurance and Tax Escrow Fund, the sum of one-twelfth of the amount budgeted by the Project Administrator in the Operating Plan and Budget for annual Insurance Costs and Taxes required to be maintained for the Project and 100% of any unbudgeted Insurance Costs based on an insurance quote obtained by the Project

Administrator, as certified by the Project Administrator in writing to the Trustee, provided that distribution by the Trustee to the Insurance and Tax Escrow Fund in respect of the first date on which Insurance Costs or Taxes are payable will be made in amounts equal to the quotient obtained by dividing the amount of such Insurance Costs and Taxes by the respective number of months, including the month of computation, to and including the months prior to the month in which such Insurance Costs or Taxes are payable;

Third, to the Administrative Expenses Fund an amount equal to one-twelfth of the annual Administrative Expenses as certified by the Project Administrator in writing to the Trustee;

Fourth, to the Capital Expense Fund, an amount equal to one-twelfth of the Capital Expense Requirement for such Fiscal Year, together with other amounts otherwise provided under the approved Capital Budget, certified by the Project Administrator in writing to the Trustee;

Fifth, to the Administration Fee Fund, an amount due to the Project Administrator for such month pursuant to the Project Administration Agreement as certified by the Project Administrator in writing to the Trustee;

Sixth, to the Rebate Fund, an amount (as determined by the Authority) which together with moneys on deposit in such Fund, will equal the aggregate amount required to be on deposit therein pursuant to the Tax Certificate delivered in connection with the issuance of each Series of Bonds;

Seventh, to the Senior Debt Service Account of the Debt Service Fund the Interest Requirement for the Outstanding Senior Bonds for such month, together with an amount equal to any unfunded Interest Requirement for any prior month;

Eighth, to the Senior Debt Service Reserve Fund, an amount equal to the Senior Reserve Fund Requirement after taking into account moneys on deposit in such Fund, in accordance with the provisions of Section 5.07;

Ninth, to the Operating Reserve Fund, an amount equal to the Operating Reserve Requirement after taking into account moneys on deposit in such Fund;

Tenth, to the Coverage Reserve Fund, an amount equal to the Coverage Reserve Fund Requirement after taking into account moneys on deposit in such Fund in accordance with the provisions of Section 5.16;

Eleventh, to the Extraordinary Expense Fund, an amount which together with moneys on deposit in such Fund will equal the Extraordinary Expense Fund Requirement;

Twelfth, to the Subordinate Debt Service Account of the Debt Service Fund the interest to become due and payable on the next ensuing Subordinate Bond Interest Payment Date on the Outstanding Subordinate Bonds; and

Thirteenth, to the Excess Revenue Fund, the balance, if any, of moneys remaining in the Revenue Fund.

Section 5.05 Transfers to the Debt Service Fund. Notwithstanding any provision in this Indenture to the contrary, if, after taking into account any transfers expected to be made from (i) interest earned or profits realized pursuant to Section 6.03(b), and (ii) the Series 2020 Capitalized Interest Account, on the second Business Day immediately preceding each Interest Payment Date and Principal Payment Date there are not on deposit in the Senior Debt Service Account amounts sufficient to pay the interest and Principal Payments to become due on the Senior Bonds on such Interest Payment Date or Principal Payment Date, the Trustee shall transfer moneys to the Senior Debt Service Account from the following sources in an aggregate amount which, together with the amount then on deposit in the Senior Debt Service Account, will result in the Senior Debt Service Account having the balance required to be on deposit therein in order to pay interest payments and Principal Payments to become due and payable on such Interest Payment Date or Principal Payment Date:

First, from the Excess Revenue Fund;

Second, from the Coverage Reserve Fund;

Third, from the Subordinate Debt Service Account;

Fourth, from the Senior Debt Service Reserve Fund;

Fifth, from the Operating Reserve Fund; and

Sixth, from the Capital Expense Fund.

Section 5.06 Debt Service Fund.

(a) Subject to Section 5.06(b) below, the Trustee shall pay out of the appropriate Account of the Debt Service Fund on or before each Interest Payment Date for any of the Bonds the amount required for the interest payment on such Interest Payment Date, and shall pay out of the appropriate Account of the Debt Service Fund on or before each Principal Payment Date, the amount required for the Principal Payment due on such due date; provided that a Supplemental Indenture may provide that if any special fund, account or subaccount has been created for the payment of capitalized interest on the Bonds or any Series thereof, the Trustee shall apply any amounts transferred to the Debt Service Fund from such special fund, account or subaccount to pay such interest prior to the use of any amounts in the Debt Service Fund for such purpose. On or before any Redemption Date for Bonds to be redeemed, the Trustee shall pay out of the appropriate Account of the Debt Service Fund, from available amounts deposited therein from time to time, the Redemption Price of and interest on the Bonds then to be redeemed.

(b) On each Subordinate Bond Interest Payment Date and provided that (1) the Senior Reserve Fund Requirement, the Coverage Reserve Fund Requirement, the Operating Reserve Requirement and the Capital Expense Requirement are met, and (2) no Event of Default, or event which with the passage of time or the giving of notice or both would constitute an Event of Default

has occurred and is continuing, the Trustee shall pay the amount required for the interest payment on such Subordinate Bond Interest Payment Date.

(c) Except as otherwise provided in Section 5.05, the Trustee shall apply amounts in the Senior Debt Service Account and the Subordinate Debt Service Account of the Debt Service Fund only to the payment of Debt Service on the Bonds of the same Series designation, in each case in the manner and at the times provided in this Section. If any amounts remain on deposit in the Senior Debt Service Account when there are no Senior Bonds Outstanding, the Trustee shall transfer such amounts to the Revenue Fund. If any amounts remain on deposit in the Subordinate Debt Service Account when there are no Subordinate Bonds Outstanding, the Trustee shall transfer such amounts to the Revenue Fund.

Section 5.07 Senior Debt Service Reserve Fund.

(a) The Trustee shall apply amounts from the Senior Debt Service Reserve Fund to the extent necessary to cure any deficiency in the Senior Debt Service Account pursuant to Section 5.05. Notwithstanding anything herein to the contrary, the Senior Debt Service Reserve Fund shall only secure the Series 2020A Bonds.

(b) Subject to the provisions of Section 6.04 relating to the valuation and application of interest earnings, if on the last Business Day preceding each Interest Payment Date the amount on deposit in the Senior Debt Service Reserve Fund shall exceed the Senior Reserve Fund Requirement, the Trustee shall deposit such amounts in the Senior Debt Service Account.

(c) In the event of a draw on the Senior Debt Service Reserve Fund, the Trustee shall restore the amount on deposit to equal the Senior Reserve Fund Requirement as set forth in Section 5.04.

(d) In the event of the refunding of the Senior Bonds (or portions thereof), the Trustee shall, upon the Direction of the Authority, withdraw from the Senior Debt Service Reserve Fund any or all of the amounts on deposit therein with respect to the Senior Bonds being refunded and apply such amounts to the payment of the principal of and interest on the Senior Bonds (or portions thereof) being refunded; provided, that such withdrawal for a partial redemption shall not be made unless:

(i) immediately thereafter the Senior Bonds (or portions thereof) being refunded shall be deemed to have been paid or defeased pursuant to Section 8.02, and

(ii) the amount remaining in the Senior Debt Service Reserve Fund after such withdrawal, taking into account any deposits to be made in the Senior Debt Service Reserve Fund in connection with such refunding, shall not be less than the Senior Reserve Fund Requirement.

Section 5.08 Operating Reserve Fund.

(a) Subject to subsection (c) of this Section, the Trustee shall apply amounts on deposit in the Operating Reserve Fund to the extent necessary to cure any deficiency in the Senior Debt Service Account pursuant to Section 5.05.

(b) If at any time, the amount on deposit in the Operating Reserve Fund exceeds the Operating Reserve Requirement, amounts in excess of the Operating Reserve Requirement shall be deposited into the Revenue Fund.

(c) The Trustee shall make disbursements of moneys in the Operating Reserve Fund pursuant to and in accordance with a Request of the Project Administrator (with the written approval of the Authority) in substantially the form of **Exhibit E** hereto for the purposes of paying (i) first, Operating Expenses then due, to the extent funds available in the Operating Account are insufficient, (ii) second, Capital Expenses then due, to the extent funds available in the Capital Expense Fund are insufficient, (iii) third, to pay any unpaid Administration Fee and accrued interest thereon to the extent provided in Article 5 of the Project Administration Agreement, and (vi) fourth, to pay any unpaid Administrative Expenses then due in excess of amounts available in the Administrative Expenses Fund. The Trustee shall fully rely upon any Request of the Project Administrator substantially in the form of **Exhibit E** approved in writing by the Authority and shall have no obligation to determine if the amounts disbursed are properly applied for the purposes set forth herein.

(d) The Trustee shall, also make disbursements of moneys in the Operating Reserve Fund pursuant to and in accordance with a Request of the Project Administrator (with the written approval of the Authority) in substantially the form of **Exhibit E** hereto for the purposes of paying Extraordinary Costs and Expenses and other expenses; provided, however, that Extraordinary Costs and Expenses incurred by the Authority shall be paid first from the Extraordinary Expense Fund. The Trustee shall fully rely upon any Request of the Project Administrator substantially in the form of **Exhibit E** approved in writing by the Authority and shall have no obligation to determine if the amounts disbursed are properly applied for the purposes set forth herein.

(e) Upon the receipt of a Request of the Project Administrator, the Trustee shall also apply amounts in the Operating Reserve Fund as directed by the Project Administrator (i) for repair or replacement of the Project in the event of casualty damage or (ii) for the payment of Emergency Expenses.

Section 5.09 Administrative Expenses Fund. Amounts on deposit in the Administrative Expenses Fund shall be used only for the purpose of paying Administrative Expenses. On any date on which any amounts are required to pay any Administrative Expenses, such amounts shall be withdrawn by the Trustee from the Administrative Expenses Fund for payment to the appropriate party. In the event the amount in the Administrative Expenses Fund is insufficient to pay the Administrative Expenses, the Trustee shall apply amounts in the Operating Reserve Fund for the payment of Administrative Expenses.

Section 5.10 Insurance and Tax Escrow Fund. The Trustee shall deposit in the Insurance and Tax Escrow Fund (i) moneys transferred from the Revenue Fund in the amounts and on the dates described in Section 5.04 hereof and (ii) any other amounts required to be deposited into the Insurance and Tax Escrow Fund hereunder or delivered to the Trustee with instructions to deposit the same therein. Moneys on deposit in the Insurance Escrow Fund and the Tax Escrow Fund shall be disbursed by the Trustee to the Project Administrator or to the governmental entity or

entities directed by the Project Administrator to pay, or as reimbursement for the payment of, Taxes and Insurance Costs with respect to the Project, as provided herein.

Upon presentation to the Trustee by the Request of the Project Administrator in substantially the form of **Exhibit J** hereto, accompanied by copies of proper bills or statements for the payment of such Taxes and Insurance Costs, when due, the Trustee shall, not more frequently than once a month, pay to the Project Administrator to provide for the payment of, or as reimbursement for the payment of, Taxes and Insurance Costs, from moneys then on deposit in the Insurance and Tax Escrow Fund.

Section 5.11 Excess Revenue Fund. Moneys on deposit in the Excess Revenue Fund shall be applied, on or prior to each Interest Payment Date, first to the Senior Debt Service Account to satisfy any insufficiency of payments required pursuant to clause *Seventh* of Section 5.04 hereof, second to the redemption of Bonds pursuant to Section 4.03(b) hereof, and third, when no Bonds remain Outstanding, to the repayment of any Subordinate Bondholder Protective Advances under Section 9.04(e). On the first date upon which no Bonds remain Outstanding and Subordinate Bondholder Protective Advances have been fully paid, including all required interest, any and all moneys in the Excess Revenue Fund shall be transferred by the Trustee to the Authority.

Section 5.12 Rebate Fund. The Trustee shall deposit amounts into the Rebate Fund pursuant to Section 5.04 in the amount required pursuant to the Tax Certificate delivered in connection with the issuance of the Series 2020 Bonds and pursuant to any similar instrument or certificate delivered by the Authority in connection with the issuance of any Additional Bonds (each, a “Tax Certificate,” and collectively, the “Tax Certificates”). Notwithstanding any other provision hereof, moneys on deposit in the Rebate Fund shall not be part of the Revenues or other assets pledged under this Indenture and, except as otherwise provided in this Section, moneys on deposit in the Rebate Fund shall be used solely for the purpose of paying amounts due to the United States of America with respect to the Bonds pursuant to Section 148(f) of the Code. Moneys on deposit in the Rebate Fund shall be remitted to the United States Treasury by the Trustee at the times and in the amounts set forth in the Tax Certificates. If the moneys on deposit in the Rebate Fund are insufficient for the purpose thereof, the Trustee shall transfer moneys in the amount of the insufficiency to the Rebate Fund from amounts then on deposit in the Funds and Accounts described in clauses *First* through *Twelfth* of Section 5.04 in inverse order of priority; provided, that such transfer shall not be made from any Debt Service Account if such transfer would result in a shortfall in the amount on deposit therein to pay Debt Service on any Bonds then due. Upon receipt by the Authority of a Certificate of a Rebate Analyst to the effect that the amount in the Rebate Fund is in excess of the amount required to be contained therein, such excess shall be transferred to the Revenue Fund.

Section 5.13 Extraordinary Expense Fund. Amounts on deposit in the Extraordinary Expense Fund shall be used only for the purpose of paying Extraordinary Costs and Expenses or such other costs related to the Project that the Authority in its sole and absolute discretion elects to pay (which the Authority may decline to pay for any reason or no reason). The Trustee shall disburse moneys from the Extraordinary Expense Fund to the Authority or as designated by the Authority upon receipt by the Trustee of a Request of the Authority. The Trustee shall fully rely upon the Direction of the Authority and shall have no obligation to determine if the amounts

disbursed are properly applied for the purposes set forth herein. After discharge of this Indenture, the Authority shall retain any monies in the Extraordinary Expense Fund, unless a different arrangement is agreed to at the Authority's discretion. Except in the case of its willful misconduct, the Authority shall not be liable or obligated to account to any Person, for the amounts it requisitions from the Extraordinary Expense Fund either before or after discharge of this Indenture or the nature of purpose for which such funds are expended, which shall be in the Authority's sole discretion.

Section 5.14 Capital Expense Fund.

(a) Subject to subsection (b) of this Section, the Trustee shall transfer amounts from the Capital Expense Fund to the Senior Debt Service Account to the extent necessary to cure any deficiency in the Senior Debt Service Account pursuant to Section 5.05.

(b) Unless an Event of Default under the Project Administration Agreement has occurred and is continuing or the Project Administration Agreement has been terminated, the Trustee shall make disbursements of moneys in the Capital Expense Fund pursuant to and in accordance with a Request of Project Administrator in substantially the form attached to this Indenture as Exhibit I for the purposes of paying (i) for Capital Expenses included in the Capital Budget or otherwise expressly authorized by the Project Administration Agreement, and (ii) Capital Expenses not included in the Capital Budget with the prior written consent of the Authority (in accordance with the Project Administration Agreement). If an Event of Default under the Project Administration Agreement occurred and is continuing under the Project Administration Agreement, the Trustee shall make disbursements pursuant to and in accordance with a Request of Project Administrator (with the prior written consent of the Controlling Party) in substantially the form attached to this Indenture as Exhibit I for the purposes and in the manner described in the immediately preceding sentence; provided, that the Project Administrator shall provide a weekly report summarizing all amounts paid out of the Capital Expense Fund during each week to the Authority. The Trustee shall fully rely upon the Direction of the Authority and shall have no obligation to determine if the amounts disbursed are properly applied for the purposes set forth herein.

Section 5.15 Insurance and Condemnation Proceeds Fund.

(a) The Authority hereby establishes an Insurance and Condemnation Proceeds Fund, which shall be held by the Trustee. The Trustee shall deposit the proceeds of insurance with respect to the Project maintained or caused to be maintained by the Authority against loss or damage by fire, lightning, and all other risks covered by the extended coverage insurance endorsement, as required pursuant to Section 7.14, the proceeds of any title insurance with respect to the Project obtained pursuant to this Indenture, and the proceeds of any Taking with respect to the Project, immediately upon receipt by the Trustee, as assignee of the Authority, in the Insurance and Condemnation Proceeds Fund; provided, that if such amount is less than \$100,000, then, subject to Section 7.17, such amount shall be distributed immediately to or at the Direction of the Project Administrator (with the written approval of the Authority) and shall be applied to the cost of the repair or replacement of the property damaged, destroyed or taken. After deducting therefrom the reasonable charges and expenses of the Trustee in connection with the collection of

such moneys, moneys in the Insurance and Condemnation Proceeds Fund shall be disbursed or applied by the Trustee in accordance with and subject to Section 7.17.

(b) If pursuant to Section 7.17, Available Amounts (as such term is defined in Section 7.17(a)) are not to be applied to repair or replace the property damaged, destroyed or taken, the Trustee, upon a Request of the Project Administrator, with the approval of the Authority, shall transfer amounts in the Insurance and Condemnation Proceeds Fund on account of such damage, destruction or condemnation to the Senior Debt Service Account in order to redeem the Senior Bonds; and after all the Senior Bonds are redeemed, to the Subordinate Debt Service Account to redeem Subordinate Bonds. Upon such transfer to the Senior Debt Service Account and/or the Subordinate Debt Service Account, the Trustee shall promptly provide notice of extraordinary mandatory redemption in accordance with Section 4.05 hereof.

(c) After completion of the repairs or replacement of the property damaged, destroyed or taken, and after all costs associated therewith have been paid, the Trustee shall deposit any amounts remaining in the Insurance and Condemnation Proceeds Fund into the Revenue Fund.

(d) Notwithstanding Section 5.17(a), the proceeds of Business Interruption Insurance shall be deposited by the Trustee when and as received in the Revenue Fund for application in accordance with Section 5.04.

(e) Notwithstanding anything herein to the contrary, if proceeds of insurance relate to any loss or damage to any property not constituting the Project, such proceeds shall be disbursed directly to the Persons legally entitled to such insurance proceeds.

Section 5.16 Coverage Reserve Fund. Moneys in the Coverage Reserve Fund shall be used to the extent necessary to cure any deficiency in the Senior Debt Service Account pursuant to Section 5.05 hereof. If at any time, the Trustee receives a Certificate of the Project Administrator based on the most recent Audited Financial Statements evidencing for the 12 month-period covered in such Audited Financial Statements a Debt Service Coverage Ratio of at least 1.20:1.00, and provided that no Event of Default under this Indenture shall have occurred and is continuing, the balance of the Coverage Reserve Fund shall be transferred to the Revenue Fund. Upon such transfer, the Coverage Reserve Fund shall be closed.

Section 5.17 Administration Fee Fund.

(a) The Trustee shall apply amounts on deposit in the Administration Fee Fund to pay to Project Administrator the Administration Fee, then due and payable, including any accrued but unpaid Administration Fees and interest thereon, if any, pursuant to the Project Administration Agreement.

Section 5.18 [Reserved].

Section 5.19 Right of Access to Funds by Project Administrator and Authority.

(a) Notwithstanding any other provision of this Indenture to the contrary, but nevertheless subject to Subsection (c), below, so long as the Trustee has not received written notice

that the Project Administration Agreement has expired or terminated or that the Project Administrator is in default under the Project Administration Agreement, the Project Administrator is entitled to submit Requests for funds to be received by the Property Manager as described elsewhere in this Article for the purposes and in the manner described therein. After the occurrence of an Event of Default, the Project Administrator is entitled to submit Requests and receive funds provided such Requests are approved by the Controlling Party and the Authority.

(b) If the Project Administrator is in default under the Project Administration Agreement, or if the Project Administration Agreement has expired or terminated and a new Project Administration Agreement has not been entered into, the Authority shall provide written notice of such event to the Trustee, and until the Trustee receives notice from the Authority that a replacement Project Administrator has entered into a Project Administration Agreement with the Authority, the Authority and the Property Manager shall each be entitled to submit Requests and receive funds as described elsewhere in this Article as if the Authority were the Project Administrator; provided after the occurrence of an Event of Default, the Authority and the Property Manager are each entitled to submit Requests and receive funds provided such Requests are approved by the Controlling Party and the Authority.

(c) For the avoidance of doubt, without regard to Subsections (a) and (b), above, and regardless of whether an Event of Default under the Project Administration Agreement or under this Indenture has occurred and is continuing, the Authority may, on its own volition and without regard to the consent of any other Person (including the Controlling Party), deliver a Request to the Trustee, in substantially the form of **Exhibit F** hereto, for disbursement of funds from the Extraordinary Expense Fund to pay Extraordinary Costs and Expenses incurred or to be incurred by the Authority or any Authority Indemnified Person.

ARTICLE VI

MONEYS HELD IN TRUST, SECURITY FOR DEPOSITS, AND INVESTMENT OF FUNDS

Section 6.01 Moneys Held in Trust. All moneys deposited with the Trustee under the provisions of this Indenture shall be held by the Trustee in such capacity hereunder. All moneys deposited under the provisions of this Indenture with the Trustee shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds and Accounts established by this Indenture shall be a trust fund for the purpose of this Indenture subject to application thereof as set forth herein.

Section 6.02 Deposits and Transfers.

(a) All moneys held by the Trustee under this Indenture may be placed in demand deposit, time deposit or money market fund accounts in accordance with Section 6.03, provided that such deposits shall permit the moneys so held to be available for use at the time when needed.

(b) All moneys held under this Indenture by the Trustee (other than moneys held in the Rebate Fund) shall be held in trust for the benefit of the Authority and the Owners of the Bonds.

(c) All moneys deposited with the Trustee shall be credited to the particular Fund or Account as provided herein.

(d) Except as otherwise provided by Supplemental Indenture, any transfer required to be made from one Fund or Account to another Fund or Account held by the same Person may be made by book transfer of any moneys or investments or portions of investments without liquidating any investments in order to make such transfer unless the funds required to be transferred are needed to make payments out of the Fund or Account to which such funds were transferred at the time of transfer.

Section 6.03 Investment of Funds.

(a) Investments shall be made in accordance with applicable law. Absent an Event of Default hereunder, moneys held in any Fund or Account shall be invested and reinvested by the Trustee as promptly as practicable, in accordance with a written direction of the Authority, in Investment Securities. Absent an Event of Default, in the absence of any such written direction of the Authority, the Trustee shall hold such moneys uninvested. During the continuance of an Event of Default or if the Trustee fails to receive such directions at least one Business Day before the day on which any amounts are required to be invested, the Trustee shall invest such amounts in an Investment Security described in clause 5 of the definition thereof. Notwithstanding any other provision of this Indenture to the contrary, Investment Securities in all Funds and Accounts shall mature, or the principal of and accrued interest on such Investment Securities shall be available for withdrawal without penalty, not later than such times as shall be necessary to provide moneys when needed for payment to be made from such Funds and Accounts. The Trustee shall not be responsible for determining whether or not any Investment Securities are legal investments of the Authority under the laws of the State. The Trustee shall not be responsible for any loss in any investment in any Fund or Account.

(b) Except as otherwise provided in this subsection, or elsewhere in this Indenture, or by Supplemental Indenture, interest earned or profits realized from investing any moneys deposited in the Funds and Accounts or any subaccount thereof shall be transferred to the Revenue Fund and applied pursuant to Section 5.04. Notwithstanding the foregoing, interest and profits from the Rebate Fund shall be retained in such Fund.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Authority the right to receive brokerage confirmations of the security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority and the Project Administrator periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

Section 6.04 Valuation and Sale of Investments.

(a) Investment Securities acquired as an investment of moneys in any Fund or Account shall be at all times a part of such Fund or Account, and any profit or loss realized from the liquidation of such investment shall be applied as provided in Section 6.03(b).

(b) For the purpose of determining the amount in any Fund, all Investment Securities credited to such Fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Certificates of deposit and bankers' acceptances shall be valued at the face amount thereof, plus accrued interest thereon. Any other investment shall be valued at the value thereof established by prior agreement among the Authority and the Trustee.

(c) Except as otherwise provided in this Indenture, the Trustee shall sell, or present for redemption, any Investment Security purchased as an investment whenever requested in writing by the Authority or whenever it shall be necessary in order to provide moneys to meet any payment or transfer from any Fund or Account. The Trustee shall not be liable or responsible for any loss resulting from any such sale.

(d) The Trustee is required to determine the value of the Senior Debt Service Reserve Fund no less frequently than semi-annually on the last Business Day preceding each Interest Payment Date (and monthly from the date of any deficiency until such deficiency is cured).

ARTICLE VII

PARTICULAR COVENANTS AND REPRESENTATIONS OF THE AUTHORITY

Section 7.01 Payment of Bonds. The Authority shall duly and punctually pay or cause to be paid, but solely from the Revenues and other assets pledged therefor by this Indenture, the principal of, Redemption Price, if any, and interest on the Bonds, at the times and in the amounts and in the manner set forth herein and in the Bonds, according to the true intent and meaning thereof.

Section 7.02 Access to the Project. The Authority hereby grants to the Trustee all rights of access to the Project necessary for the Trustee to carry out its obligations and to enforce its rights hereunder.

Section 7.03 [Reserved].

Section 7.04 Power to Enter Into Indenture, Issue Bonds and Pledge Revenues and Other Assets. The Authority is duly authorized under all applicable laws to issue, sell and deliver the Bonds, to enter into this Indenture and to pledge the Revenues and other assets in the manner and to the extent provided in this Indenture and no other authorization or consent is required therefor. The Revenues and other assets pledged under this Indenture are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto granted by the Authority except the pledge granted by this Indenture or the Bond Documents to the extent provided herein or therein, and all action on the part of the Authority to that end has been and will be duly and validly taken. This Indenture has been duly and lawfully entered into by the Authority, is in full force and effect and is valid and binding upon the Authority in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors'

rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against joint powers commissions or governmental units of the State. The Bonds are and will be the valid and binding obligations of the Authority. The Authority shall at all times, to the extent permitted by law but subject to Section 13.17, defend, preserve and protect its title to the Revenues and other assets pledged under this Indenture and all the rights of the Owners under this Indenture against all claims and demands of all persons whomsoever.

Section 7.05 Maintenance of Existence of the Authority. The Authority is a joint exercise of powers agency organized and existing under the laws of the State of California. To the extent within its control, subject to the Act, the Authority covenants and agrees that, so long as any Bonds are Outstanding, it will maintain its existence as a joint exercise of powers agency, duly organized and existing under the laws of the State.

Section 7.06 Limitation on Encumbrances. The Authority covenants and agrees that it will not knowingly directly or indirectly create, assume or suffer to exist any mortgage, deed of trust, pledge, security interest, encumbrance, lien or charge of any kind (a “security interest”) upon the Project other than (a) the Mortgage, (b) Permitted Encumbrances, or (c) to further secure the Senior Bonds and the Subordinate Bonds, including any Additional Bonds.

Section 7.07 Limitation on Undertakings. The Authority shall not create, issue, incur, execute, assume or suffer to exist any bonds, notes, loans, installment purchase agreements, lease purchase agreements, certificates of participation, obligations for borrowed money, or other indebtedness secured by a lien on Revenues except as permitted by this Indenture.

Section 7.08 Tax Covenant. Subject to Section 13.17, and any relevant provisions of the Tax Certificate, the Authority shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure that interest paid on the Bonds (or any of them) will be excluded from gross income for federal income tax purposes and will not knowingly take any action that would result in such interest not being excluded from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the Authority shall comply with the provisions of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Bonds.

Section 7.09 Limitation on Disposition of Assets. The Authority shall not cause any sale, lease, transfer or other disposition of the Authority’s right, title and interest in and to the Project or any material part thereof or the transfer of assets related to the Project, except as provided in this Indenture and in the Public Benefit Agreement, dispositions of Facilities in the ordinary course excepted.

Section 7.10 Continuing Disclosure Agreement. In connection with the issuance of the Series 2020 Bonds, the Authority shall enter into a Continuing Disclosure Agreement with the Dissemination Agent.

Section 7.11 Rating for the Series 2020A Bonds. In the event the Controlling Party requests and provides full payment of all expenses, the Authority shall use its best efforts to obtain,

or shall instruct the Project Administrator pursuant to the Project Administration Agreement to seek to obtain, a rating for the Series 2020A Bonds from a Rating Agency; provided that if the Authority or the Project Administrator receive a preliminary indication (which shall mean and include the results of evaluation of criteria received) from a Rating Agency that the Series 2020A Bonds will not be assigned an Investment Grade Rating, the Authority or the Project Administrator shall withdraw any request to have such Rating Agency assign a rating to the Series 2020A Bonds. The Authority and the Project Administrator shall have no liability in the event the rating is not achieved. If a rating is obtained, the costs of maintaining such rating shall be paid as an Administrative Expense.

Section 7.12 Compliance With Law.

The Authority shall not knowingly fail to comply with any Applicable Laws, including the Act, which failure would have a Material Adverse Effect on the Authority's performance of its obligations hereunder except those that shall be contested in good faith and by appropriate proceedings diligently conducted by the Authority.

Section 7.13 [Reserved].

Section 7.14 Insurance. The Authority shall cause the Project and the operation thereof to be insured at all times in accordance with the Master Insurance Schedule.

The Authority shall employ or cause to be employed an Insurance Consultant to review the insurance requirements of the Authority from time to time (but not less frequently than once every 24 months). As of the Closing Date and thereafter not less than annually, the Insurance Consultant shall be required to provide a certificate to the Authority, Trustee and the Project Administrator certifying that the requirements of Section 7.14 are satisfied. The cost of such Insurance Consultant will be paid as an Administrative Expense. If the Insurance Consultant recommends increases in any of the coverages or modifications in any of the terms of such insurance requirements and the Authority approves such increases or modifications, the Authority shall obtain or cause the Project Administrator to obtain the approved increases or modifications, to the extent such insurance is available on commercially reasonable terms. Notwithstanding anything in this Section to the contrary, if the Insurance Consultant recommends any reduction in the insurance coverage required pursuant hereto and the Authority approves such reduction, the Project Administrator shall maintain or cause to be maintained insurance at such reduced coverage; provided, that the Insurance Consultant shall have provided a statement to the Authority and the Project Administrator to the effect that such reduced coverage provides the greatest amount of coverage available, in the judgment of the Insurance Consultant, at commercially reasonable rates and terms or coverage consistent with amounts customarily carried by others in connection with the ownership, maintenance and use of facilities of similar character and size.

Section 7.15 [Reserved].

Section 7.16 [Reserved].

Section 7.17 Disposition of Insurance and Condemnation Proceeds.

(a) The Project Administration Agreement will provide that the Project Administrator will provide the Trustee with immediate written notice of (i) any material loss or damage to the Project or any part thereof, or (ii) any actual or threatened action or proceeding relating to any condemnation or other taking, direct or indirect, or sale or transfer in lieu of a condemnation or taking (each, a “Taking”) of the Project or any part thereof. To the extent of any loss or damage to or Taking of the Project only, the Authority hereby irrevocably authorizes and empowers the Trustee as the Authority’s attorney-in-fact coupled with an interest to make the proof of loss, adjust and compromise any claim under insurance policies and to appear in and prosecute or defend any action arising from such insurance policies or any Taking (provided the Trustee shall have no obligation to take any such action). The Trustee shall be entitled to collect, and the Authority hereby assigns to the Trustee for deposit into the Insurance and Condemnation Proceeds Fund, all insurance proceeds or the proceeds of any award, payment or claim for damages, direct or consequential, in connection with any Taking of the Project and is further entitled to deduct therefrom the Trustee’s reasonable out-of-pocket expenses incurred in the collection of such proceeds (such proceeds after such deductions, the “Available Amount”).

(b) The Trustee shall cause the Available Amount to be disbursed in accordance with Section 5.15 to the cost of restoration and reconstruction of the Project at the Direction of the Project Administrator so long as the Authority has certified in writing that the following conditions have been met: (i) no Event of Default then exists, (ii) the Available Amount together with all investment income earned or expected to be earned thereon and other proceeds deposited with the Trustee will be sufficient to restore the Project to its Pre-Existing Condition (as defined below), (iii) the Project can be restored and repaired as nearly as is reasonably practicable to the condition it was in immediately prior to a casualty in the case of any casualty or to a condition, in the case of any Taking, that permits the Project’s use in the manner contemplated by this Indenture and for which the Project was originally constructed, (the “Pre-Existing Condition”), (iv) the Authority and the Project Administrator shall have each received and approved, in its reasonable judgment, plans and detailed specifications of the contemplated repair or restoration of the Project, together with a statement of an architect that the Project can be restored to its Pre-Existing Condition in the time and for the cost specified in such plans and specifications (provided that, in the event the Authority and the Project Administrator have not all approved plans and detailed specifications, the plans and detailed specifications approved by two of the three entities shall be utilized), and (v) if more than 15% of the Project is damaged, destroyed or taken, the Authority shall have furnished to the Trustee a guaranteed maximum or fixed price contract for the restoration or repair of the Project to the Pre-Existing Condition for an amount not in excess of the Available Amount together with all investment income earned or expected to be earned thereon (provided the Trustee shall have no obligation to review such contract).

(c) Following a casualty loss or Taking affecting the Project, if the Available Amount together with all investment income earned or expected to be earned thereon is made available to the Authority for repair or restoration and is sufficient for such purpose, the Authority shall cause the restoration of the Project to substantially its Pre-Existing Condition or such other condition as the Controlling Party may acknowledge and consent to in writing, and the Authority shall cause the commencement of such restoration or repair as soon as practicable after the casualty loss or Taking and at all times thereafter the diligent prosecution thereof to completion. Subject to satisfaction of conditions set forth in Section 7.17(b) and provided that there no Event of Default

has occurred and is continuing of which the Trustee has notice pursuant to Section 10.03, Trustee will disburse any insurance proceeds or condemnation awards collected by it in accordance with Section 5.15.

(d) Any amount of insurance proceeds remaining in the Trustee's possession after full and final payment and discharge of all Bonds and this Indenture shall be transferred to the Authority or otherwise paid in accordance with Applicable Law. If the Project is sold at foreclosure or if the Trustee acquires title to the Project, the Trustee shall have all of the right, title and interest of Authority in and to any insurance policies and unearned premiums thereon, any proceeds, awards or damages arising from any Taking and in and to the proceeds resulting from any damage to Authority's interest therein prior to such sale or acquisition.

(e) Notwithstanding the provisions of Section 7.17(b), all condemnation proceeds resulting from a temporary Taking that are not attributable to compensation for alterations or physical damage to the real or personal property used in the operation of the Project shall be deemed Gross Operating Revenue and deposited in the Revenue Fund.

Section 7.18 Operation of the Project.

(a) Management of the Project. The Authority shall cause to be in full force and effect at all times a Project Administration Agreement and a Property Management Agreement (the "Management Agreements") with respect to the Project with terms and conditions substantially the same as those of the initial Project Administration Agreement and the initial Property Management Agreement, respectively (except any changes required by Bond Counsel in order for Bond Counsel to deliver its opinion required by subsection (c) of this Section, or any changes that do not materially adversely affect the interest of the Owners of the Bonds). The Authority may amend, modify, waive or otherwise alter the Management Agreements in compliance with their terms without the prior written consent of the Trustee, provided that the Property Management Agreement shall at all times allow for termination at the Authority's option upon 30 days' written notice by the Authority, and provided further that such amendment, modification or waiver does not materially adversely affect the interest of the owners of the Bonds. The Project Administration Agreement or any part thereof shall expressly permit the assignment of rights thereof pursuant to Section 5.01(a)(ii) hereof to the Trustee for the benefit of Owners and entitle the Trustee to the benefits thereof upon the occurrence of an Event of Default.

(b) Termination of Management Agreements.

(i) If the Project is foreclosed upon due to an Event of Default as set forth in Article IX hereof, the ability of the Trustee to terminate the Management Agreements shall be subject to the terms contained therein; provided the Trustee shall have no obligations with respect to the Management Agreements and shall not be responsible for the payment of amounts outstanding under the Management Agreements other than as directed in writing from the Controlling Party from amounts available therefor under this Indenture; and

(ii) the Project Administration Agreement shall provide that it be terminable at the Direction of the Controlling Party, provided that a payment default on the Series 2020A Bonds

has occurred and is continuing, and the Controlling Party has identified a replacement Project Administrator acceptable to the Authority.

(c) Bond Opinion. Any Project Administration Agreement or Property Management Agreement entered into by the Authority after initial issuance of the Series 2020 Bonds shall first require the written Opinion of Bond Counsel that such Project Administration Agreement or Property Management Agreement will not, in and of itself, result in the inclusion of interest on the Bonds in the exclusion from gross income for federal income tax purposes. Any amendment or extension of the Management Agreements or change in the identity of the Project Administrator or Property Manager shall require the written Opinion of Bond Counsel that such amendment or extension will not, in and of itself, cause the interest on any of the Bonds to become includible in gross income for federal income tax purposes.

Section 7.19 Budgets.

(a) Operating Plan and Budget. The Project Administration Agreement will provide that no less than thirty (30) days prior to the start of each Operating Year, the Project Administrator will prepare and deliver to the Trustee and the Authority the Proposed Budget Documents for the next ensuing Operating Year. Such Proposed Budget Documents may be submitted by the Project Administrator in preliminary form so long as the final Proposed Budget Documents for the next ensuing Operating Year are submitted to the Trustee and the Authority no later than the commencement of the applicable Operating Year. The Authority shall promptly notify the Project Administrator and each other in writing as to any objections it may have to the Proposed Budget Documents. The Trustee shall have no obligation to review any such Proposed Budget Documents received. The Authority shall be responsible for approving the Proposed Budget Documents.

(b) Under the Project Administration Agreement, the Project Administrator (i) shall be required to direct the Property Manager to operate the Project within and in a manner consistent with each approved Operating Plan and Budget and each approved Capital Budget, (ii) shall not permit the Property Manager to substantially deviate from the budgeted Capital Expenses in an approved Capital Budget unless the Project Administrator obtains the prior written consent of the Authority (it being agreed that a deviation in excess of ten percent (10%) of the budgeted Capital Expenses in the aggregate is substantial), and (iii) shall not Permit the Property Manager to substantially deviate from the budgeted Operating Expenses in an approved Operating Plan and Budget unless the Project Administrator obtains the prior written consent of the Authority (it being agreed that a deviation in excess of ten percent (10%) of the budgeted Operating Plan and Budget is substantial).

(c) The Project Administrator shall file or cause to be filed with the Trustee and the Authority, the Operating Plan and Budget and Capital Budget prior to the commencement of the applicable Operating Year.

(d) The Operating Plan and Budget may be amended from time to time during the course of the Fiscal Year and such amendments shall be submitted and approved in the same manner as the Proposed Budget Documents.

(e) On the 30th day of each July, commencing July 30, 2022, the Authority shall transfer (or cause the Property Manager to transfer) to the Trustee for deposit in the Revenue Fund the amounts, if any, transferred to the Operating Account pursuant to the Indenture for Operating Expenses during the preceding Fiscal Year in excess of the actual Operating Expenses for such Fiscal Year, except that an amount equal to the greater of (i) \$250,000, (ii) two months of budgeted Operating Expenses or (iii) an amount determined to be reasonably necessary by the Authority may be retained in the Operating Account as reasonable working capital.

Section 7.20 Annual Audit of Authority; Quarterly Financial Reports.

(a) Beginning with the Fiscal Year ending June 30, 2022, the Authority shall cause financial and operating statements of the Authority to be prepared, and shall cause the Project Administrator to prepare, financial and operating statements of the Project, in each case, with respect to such Fiscal Year in accordance with generally accepted accounting principles, consistently applied, which financial statements shall be audited by, and accompanied by a report of, an Accountant. Such Audited Financial Statements of the Project shall also contain (i) a calculation of the Debt Service Coverage Ratio, (ii) a calculation of Excess Revenues, if any, for such Fiscal Year and (iii) a statement of the balances in each of the Funds and Accounts established under the Indenture. Such Audited Financial Statements and reports shall be delivered upon completion, not later than 210 days after the end of each Fiscal Year, to the Trustee, the Dissemination Agent and any rating agency then maintaining a rating on the Bonds.

(b) During the course of performing such audit, such Accountant will perform a review of the provisions of this Indenture to determine whether the Authority has complied with Section 7.24 of this Indenture.

(c) The Authority shall cause the Project Administrator to submit to the Trustee, the Dissemination Agent and any rating agency then maintaining a rating on the Bonds, not later than 45 days after completion of each fiscal quarter of the Fiscal Year of the Authority, beginning with the fiscal quarter ending June 30, 2021, copies of the unaudited financial and operating statements of the Project for such fiscal quarter (the "Quarterly Financial Report"), together with a certificate of an Authorized Authority Representative indicating whether or not an Event of Default (as defined in the Bond Documents) has occurred or exists.

The Trustee shall act only as a repository for, and shall have no obligation to review, or take any action in respect of, any financial statements submitted by the Authority pursuant to this Section 7.20.

Section 7.21 Project Administrator. The Authority hereby covenants and agrees that it will at all times cause to be delegated the duties and responsibilities of operating the Project, pursuant to a Project Administration Agreement consistent with the terms of the Project Administration Agreement, to a management company having the experience and qualifications necessary to operate and manage an affordable housing project. If the initial Project Administrator ceases to serve as the Project Administrator, the Authority shall promptly employ, and at all times thereafter, employ, as the Project Administrator a replacement Project Administrator experienced and capable, in the judgment of the Authority, of performing the duties under the Project

Administration Agreement, and will at all times cause to be delegated the duties and responsibilities of operating the Project to a management company that has, for the past five years, managed at least 5,000 market rate and affordable units.

Section 7.22 [Reserved].

Section 7.23 Further Assurances; Enforcement of Documents. Subject to Section 13.17, at any and all times the Authority shall, so far as it may be authorized by law, make, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, assignments, transfers and assurances as may be reasonably necessary or desirable for the assuring, granting, pledging, assigning and confirming the Revenues and other assets pledged under this Indenture, the cash and Investment Securities held in any Fund or Account hereunder, and the Trustee's right, title and interest in and to the foregoing, and all other moneys, securities and funds hereby pledged or assigned, or which the Authority may become bound to pledge or assign. Subject to Section 13.17, the Authority covenants and agrees that it will cooperate with and assist the Trustee in enforcing, the Property Management Agreement and the Project Administration Agreement in accordance with their respective terms for the benefit of the Bondholders.

Section 7.24 Debt Service Coverage; Reports.

(a) The Project Administrator, in consultation with the Authority, shall determine the fees, rentals, rates and charges sufficient to produce Total Net Revenues, together with funds on deposit in the Series 2020 Capitalized Interest Account of the Project Fund and the Coverage Reserve Fund as of each Annual Evaluation Date, at least sufficient to meet the Debt Service Coverage Requirement.

(b) If the Debt Service Coverage Ratio calculated as of any Annual Evaluation Date, is not equal to or greater than the Debt Service Coverage Requirement, the Authority will cause the Project Administrator to select and appoint (and, if the Project Administrator fails to do so, the Authority shall select and appoint), a Housing Consultant to make written recommendations regarding the fees, rentals, rates and charges imposed and collected by or on behalf of the Project Administrator and transferred to the Trustee, as required pursuant to Section 5.01(b), in connection with the operation of the Project, and regarding improvements or changes in the operations or management of or the services rendered by the Project Administrator.

(c) The Authority shall cause the Project Administrator to take all actions within its control to comply with the paragraph above and, other than to the extent that any of the Housing Consultant's recommendations conflict with law or existing contracts with non-affiliates, or the Project Administrator shall in good faith determine by authorized action that such recommendations are unreasonable, impractical or unfeasible, the Project Administrator shall follow the recommendations of the Housing Consultant. So long as the Project Administrator shall, as required above, retain a Housing Consultant and so long as the Project Administrator shall follow such Housing Consultant's recommendations subject to the above limitations, the Debt Service Coverage Requirement shall be deemed to have been complied with even if the Debt Service Coverage Ratio is below the Debt Service Coverage Requirement, and such circumstances shall not constitute an Event of Default, provided the Debt Service Coverage Ratio is not below

1.00:1.00. If the Debt Service Coverage Requirement is not reattained by the second Annual Evaluation Date following the date of such report, the Controlling Party may elect to replace the Project Administrator or to select a new Housing Consultant. If the Controlling Party does not elect to replace the Project Administrator or replace the Housing Consultant, the failure to reattain the Debt Service Coverage Requirement for three consecutive Annual Evaluation Dates will constitute an Event of Default.

(d) The Authority shall cause the Project Administrator to determine the fees, rentals, rates and charges sufficient to produce Total Net Revenues as of each Quarterly Evaluation Date at least sufficient to meet the Debt Service Coverage Requirement for the calendar quarter ending on such Quarterly Evaluation Date. If on any Quarterly Evaluation Date, the Project Administrator has failed to meet the Debt Service Coverage Requirement on each of the two most recent Quarterly Evaluation Dates, within 30 days after such Quarterly Evaluation Date, the Project Administrator shall, in consultation with the Property Manager, prepare an Operating Plan and Budget with a detailed written explanation as to the actions the Project Administrator proposes to take in order to comply with the Debt Service Coverage Requirement by the next Quarterly Evaluation Date and submit the same to the Authority and the Dissemination Agent for posting on EMMA. If the Project Administrator continuously and substantially complies with the Operating Plan and Budget in good faith, failure to comply with the Debt Service Coverage Requirement will not in and of itself constitute an Event of Default.

The fees and expenses of the Housing Consultant shall be paid as an Operating Expense. Each party to the Project Administration Agreement shall deliver to the other party at no additional charge copies of any information, correspondence or documents delivered to the Housing Consultant contemporaneously with delivering such information, correspondence or documents to the Housing Consultant.

Section 7.25 Public Benefit Agreement. The Authority shall comply with the Public Benefit Agreement and shall apply proceeds of any sale of the Project under and pursuant to the terms therewith while Bonds are Outstanding to the redemption of the Bonds under Section 4.02(a) hereof.

ARTICLE VIII

DISCHARGE AND DEFEASANCE

Section 8.01 Discharge of Indenture. If the Authority shall well and truly pay, or cause to be paid, all of the principal and Redemption Price of and interest on the Bonds, at the times and in the manner provided herein and in the Bonds according to the true intent and meaning hereof and thereof, and shall cause the payments to be made into the Funds and Accounts established hereunder and in the amounts required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with or for the account of the Trustee an amount sufficient to provide for payment of the entire amount due or to become due thereon (including any amount due or to become due with respect to the Bonds under Section 148 of the Code), and shall well and

truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it on or prior to the date such payments are made, and shall pay or cause to be paid to the Trustee and there shall have been paid to the Authority all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon such payment and performance, this Indenture and the rights, pledges and liens hereby granted shall cease, determine and be void; provided, that the Trustee's rights and protections hereunder shall survive such discharge; otherwise, this Indenture is to be and shall remain in full force and effect. In the event that this Indenture is discharged as herein provided, the Trustee shall cause an accounting for such period or periods as shall be requested by the Authority to be prepared and filed with the Authority and shall execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or transfer and deliver to the Authority all moneys or securities held by it pursuant to this Indenture which are not required for the payment of principal or Redemption Price of and interest on the Bonds and other sums due, including the Property free and clear of the Mortgage; provided, however, that the Authority shall provide written instructions to the Trustee for the transfer of amounts in the Excess Revenue Fund to the Authority.

Section 8.02 Defeasance. Any Outstanding Bonds shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning and with the effect expressed in Section 8.01 if (a) in case any of such Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee in form satisfactory to it a Letter of Instructions containing irrevocable instructions to give notice of redemption of such Bonds as provided in Article IV, (b) there shall have been deposited with the Trustee, in trust, either money in an amount which shall be sufficient, or Government Obligations that are not callable or prepayable prior to maturity the principal of and interest on which without any reinvestment thereof when due will provide money which, together with the money, if any, deposited with the Trustee at the same time for such purposes, shall be sufficient, as verified by an Accountant, to pay when due the principal or Redemption Price of and interest due and to become due on such Bonds on or prior to the Redemption Date or maturity date thereof, as the case may be, (c) in the event such Bonds are not to be redeemed within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it a Letter of Instructions containing irrevocable instructions to mail, as soon as practicable, notice to the Owners of all such Bonds that the deposit required by clause (b) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Section and stating such maturity or Redemption Date upon which money is to be made available for the payment of the principal or Redemption Price of and interest on such Bonds, (d) there shall be delivered to the Trustee a written Opinion of Bond Counsel to the effect that (i) the provisions of this Section have been complied with so that such Bonds are no longer entitled to the benefits of this Indenture and (ii) such defeasance will not, in and of itself, result in the inclusion of interest on the Bonds in gross income for federal income tax purposes, and (e) all costs and expenses of the Trustee and the Authority described in Section 8.01 or in connection with the defeasance of the Bonds then due or to become due until the actual redemption of the Bonds have been paid or provided for. Neither Government Obligations nor money deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price of and interest on such

Bonds; provided, that any cash received from such principal or interest payment on such Government Obligations, (i) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received, free and clear of any trust, lien, security interest, pledge or assignment securing such Bonds or otherwise existing under this Indenture, if all Bonds have been redeemed or discharged and if this Indenture is discharged, otherwise such cash shall be deposited as Gross Operating Revenues, and (ii) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in the Government Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price of and interest to become due on such Bonds, on or prior to such Redemption Date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Authority as received, free and clear of any trust, lien or pledge, if all Bonds have been redeemed or discharged and if this Indenture is discharged, otherwise such cash shall be deposited as Gross Operating Revenues. Bonds defeased hereunder shall no longer be subject to redemption at the option of the Authority, except to the extent that such Bonds are called for redemption at the time provision is made for the defeasance thereof, as provided in this Section.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01 Rights and Remedies, Generally. Subject to the provisions of this Indenture (including Sections 9.09 and 13.18), the Owners of the Bonds, and the Trustee acting for all of the Owners of the Bonds shall be entitled to all of the rights and remedies provided or permitted under this Indenture or at law or in equity.

Section 9.02 Events of Default. Each of the following events is hereby declared an “Event of Default” under this Indenture:

- (a) failure to make due and punctual payment of the principal or Redemption Price of any Senior Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;
- (b) failure to make due and punctual payment of any installment of interest on any Senior Bond when and as such interest installment shall become due and payable;
- (c) as to the Senior Bonds only, other than as described elsewhere in this Section, failure by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part contained in this Indenture or any Supplemental Indenture or in the Senior Bonds, and such failure shall continue for a period of 60 days after written notice thereof to the Authority by the Trustee or to the Authority and the Trustee by the Controlling Party;
- (d) failure to reattain the Debt Service Coverage Requirement for three consecutive Annual Evaluation Dates pursuant to Section 7.24(c) hereof;
- (e) failure to meet the Cumulative Redemption Requirement within one year of a Cumulative Redemption Evaluation Date;

(f) after the date on which no Senior Bonds remain Outstanding, failure to make due and punctual payment of any installment of interest on any Subordinate Bond, when and as such interest installment shall become due and payable;

(g) after the date on which no Senior Bonds remain Outstanding, failure to make due and punctual payment of the principal or Redemption Price of any Subordinate Bond when and as the same shall become due and payable, whether at maturity or by call for redemption, or otherwise;

(h) after the date on which no Senior Bonds remain Outstanding, other than as described elsewhere in this Section, failure by the Authority in the performance or observance of any other of the covenants, agreements or conditions on its part contained in this Indenture or any Supplemental Indenture or in the Subordinate Bonds, and such failure shall continue for a period of 60 days after written notice thereof to the Authority by the Trustee or to the Authority and the Trustee by the Controlling Party;

(i) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or

(j) after the date on which no Bonds remain Outstanding, failure to make due and punctual repayment of any Subordinate Bondholder Protective Advances, including all required interest, when and as such repayment shall become due and payable.

ANYTHING IN THIS INDENTURE TO THE CONTRARY NOTWITHSTANDING, UPON THE OCCURRENCE AND CONTINUANCE OF AN EVENT OF DEFAULT AS DEFINED HEREIN, THE CONTROLLING PARTY SHALL BE ENTITLED TO CONTROL AND DIRECT THE ENFORCEMENT OF ALL RIGHTS AND REMEDIES GRANTED TO THE OWNERS OR THE TRUSTEE UNDER THIS INDENTURE (BUT, FOR AVOIDANCE OF DOUBT, EXCLUDING THE UNASSIGNED RIGHTS), INCLUDING (I) THE RIGHT TO ACCELERATE THE PRINCIPAL OF THE SENIOR BONDS AS DESCRIBED IN THIS INDENTURE, AND (II) THE RIGHT TO ANNUL ANY DECLARATION OF ACCELERATION, AND THE CONTROLLING PARTY SHALL ALSO BE ENTITLED TO APPROVE ALL WAIVERS OF EVENTS OF DEFAULT (EXCEPT IN RESPECT OF THE UNASSIGNED RIGHTS).

Upon the occurrence of an Event of Default, the Trustee shall promptly provide written notice by first class mail to the Owners of the Bonds then Outstanding and the Beneficial Owners of the Bonds then Outstanding who have provided such information to the Trustee as is reasonably required by the Trustee to enable it to provide such notice to such Beneficial Owners of (i) such Event of Default and (ii) the action or remedy, if any, then proposed to be taken by the Trustee at

the Direction of the Controlling Party. The Trustee shall be fully protected in acting in accordance with the directions of the Controlling Party, and shall so act.

Section 9.03 Notice of Default; Cure. Upon obtaining knowledge of the existence of any Event of Default, the Trustee shall notify the Authority, the Controlling Party and the Project Administrator in writing as soon as practicable, but in any event within two (2) Business Days; provided, that the Trustee need not provide notice of any Event of Default if the Authority has expressly acknowledged the existence of such Event of Default in a writing delivered to the Trustee and the Controlling Party. The Trustee shall recognize any cure of an Event of Default by the Project Administrator.

Section 9.04 Specific Remedies.

(a) If an Event of Default (other than with respect to the Subordinate Bonds while any Senior Bonds are Outstanding) occurs and is continuing, then, subject to subsection (d) of this Section, the Trustee shall, upon the Request of the Controlling Party, and may, but only with the prior written consent of the Controlling Party, and having been indemnified to its satisfaction (except with respect to the exercise of the remedy specified in clause (i) of this subsection (a) for which the Trustee shall not be entitled to require indemnification as a precondition to the exercise of such remedy) take any or all or any combination of the following actions:

(i) declare the outstanding principal on the Senior Bonds immediately due and payable, whereupon such unpaid principal of the Senior Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding.

(ii) by mandamus or other suit, action or proceeding at law or in equity require the Authority to perform its covenants and duties with respect to the Senior Bonds under this Indenture;

(iii) by action or suit in equity require the Authority to account as if it were the Trustee of an express trust for the Owners of the Senior Bonds;

(iv) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Owners of the Senior Bonds;

(v) prohibit the Authority from withdrawing moneys from any Funds or Accounts (except the Extraordinary Expense Fund and the Rebate Fund) without the Controlling Party's written consent;

(vi) request that a court of competent jurisdiction appoint, to the extent permitted by law, a receiver or receivers of the Revenues and other assets pledged under this Indenture, and the income, revenues, profits and use thereof, it being the intent hereof that, to the extent permitted by law, the Trustee shall be entitled to appointment of such a receiver as a matter of right;

(vii) commence foreclosure of the Mortgage by private sale or judicial foreclosure; provided, that the Trustee shall first receive the written consent of the Controlling Party;

(viii) take such actions as may be required to enforce all rights of the Trustee or the Owners under the Property Management Agreement and the Project Administration Agreement; or

(ix) transfer moneys from any Funds or Accounts (other than amounts necessary to pay Operating Expenses, the Extraordinary Expense Fund and the Rebate Fund), to the Senior Debt Service Account of the Debt Service Fund.

(b) Any declaration of acceleration pursuant to clause (a)(i) of this Section 9.04 is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority shall cause to be deposited with the Trustee a sum sufficient to pay all the principal or Redemption Price of and installments of interest on the Affected Bonds, payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds, and the reasonable charges and expenses of the Trustee, including fees and expenses of its attorneys, and any and all other defaults known to the Trustee (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision reasonably deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Trustee may, and shall at the Direction of the Controlling Party, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such default; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

(c) The Owners of the Subordinate Bonds shall have no right (i) to pursue or direct any remedy available to the Trustee hereunder or (ii) to be paid from the proceeds received by the Trustee through the exercise of any such remedy while any Senior Bonds are Outstanding. The Trustee shall give written notice to the Owners of the Subordinate Bonds of its exercise of remedies. The Trustee has no obligation to consider whether remedies taken would have a Material Adverse Effect on the possibility that Owners of Subordinate Bonds will be paid amounts in respect of such Subordinate Bonds or to consider any effect that a remedy may have on the Owners of Subordinate Bonds. Upon the occurrence of an Event of Default under Section 9.02, the Trustee shall, at the request of Owners of at least \$1,000,000 in aggregate principal amount of Subordinate Bonds, provide by first class mail to the Owners of at least \$1,000,000 in aggregate principal amount of Subordinate Bonds all reports, notices and other information thereafter received by the Trustee in connection with the Project and the Bonds at the cost of the Authority. If no Senior Bonds remain Outstanding, the same remedies available with respect to the Senior Bonds under clause (a) of this Section 9.04 shall be available with respect to the Subordinate Bonds.

(d) Further, in the event the Trustee fails to pay the Owners of the Subordinate Bonds scheduled payments on the Subordinate Bonds from funds rightfully on deposit in the Subordinate Debt Service Account when permitted to be paid hereunder, or the Trustee is not properly allocating the Gross Operating Revenues and other funds constituting the Revenues and other

assets pledged under this Indenture to the Subordinate Debt Service Account and any other Account created exclusively for the Subordinate Bonds, in accordance with the priorities set forth herein, and the terms and provisions hereof, the Subordinate Owners shall have the right by mandamus or other suit, action or proceeding at law or in equity to compel the Trustee to make such payments or allocations in accordance with the priorities set forth in, and the terms and the provisions hereof; provided, that except as expressly set forth herein, such action shall not be at the expense of the Revenues and other assets pledged under this Indenture.

(e) Subject to the consent of the Authority (which consent may be withheld for any reason or no reason), the Holder of the Subordinate Bonds shall have the right (but not the obligation) to advance funds to cure a default under Sections 9.02(b), (d), or (e) with respect to the Senior Bonds by paying to the Trustee for deposit into the Senior Debt Service Account the amount which is needed, after application by the Trustee of funds from any other available source, to prevent such a default on the Senior Bonds. In the event that there are expenses related to the Property which are necessary in order to maintain the Property as a safe and sanitary residential rental facility or to pay for Taxes or Insurance Costs, and there is no other source of funds available to the Trustee to pay for such costs in a timely manner, subject to the consent of the Authority (which consent may be withheld for any reason or no reason), the Holder of the Subordinate Bonds shall have the right (but not the obligation) to pay to the Trustee for deposit into the appropriate fund or account the amount necessary for the payment thereof.

Any amount advanced by the Holder of the Subordinate Bonds (collectively, the “Subordinate Bondholder Protective Advances”) pursuant to this Section shall be reimbursed from the Excess Revenue Fund with interest at 10% per annum (no compounding) as provided in Section 5.11. Such interest will not be exempt from federal income tax.

Section 9.05 Application of Proceeds. After (i) first, the payment of the reasonable and proper charges, fees, expenses due and the Extraordinary Costs and Expenses due to the Trustee, the Authority or any Authority Indemnified Persons and any other payments due them in respect of the Unassigned Rights (including the Administrative Expenses and Extraordinary Costs and Expenses due to the Authority and any Authority Indemnified Person); and (ii) second, payment or provision for payment of Operating Expenses then due and payable; and (iii) third, unless any Series of Bonds have been accelerated or the Mortgage foreclosed, making the deposits to the Funds and Accounts and such disbursements therefrom as required to be made pursuant hereto, the proceeds received by the Trustee pursuant to the exercise of any right or remedy under this Article, together with all securities and other moneys which may then be held by the Trustee as a part of the Revenues and other assets pledged under this Indenture, subject to the application of amounts in specific Funds and Accounts which are pledged solely to the repayment of Senior Bonds or Subordinate Bonds, as applicable, shall be applied in order, as follows:

(a) First,

(i) Unless the principal of all Senior Bonds shall have become or have been declared due and payable,

First, to the payment to the Owners entitled thereto of all installments of interest (together with interest due on overdue installments of interest to the extent allowed by law) then due on the Senior Bonds in the order of their due dates, and, if the amount available shall not be sufficient to pay in full any installment or installments due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Owners of Senior Bonds entitled thereto, without any discrimination or preference; and

Second, to the payment to the Owners entitled thereto of the unpaid principal or Redemption Price of the Senior Bonds with respect to which such remedy was exercised which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the unpaid principal or Redemption Price of all the Senior Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Owners entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Senior Bonds with respect to which such remedy was exercised shall have become or have been declared due and payable, to the payment of the principal or Redemption Price and interest then due and unpaid upon the Senior Bonds, with interest on the overdue principal, Redemption Price and interest (to the extent allowed by law) at the rate borne by the respective Senior Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest or Redemption Price, or of interest over principal or Redemption Price, or of Redemption Price over principal or interest, or of any installment of interest over any other installment of interest, or of any Senior Bond over any other Senior Bond, according to the amounts due respectively for principal, Redemption Price and interest, to the Owners entitled thereto without any discrimination or preference; and

(b) *Second*, but only to the extent no Senior Bonds are Outstanding,

(i) Unless the principal of all Subordinate Bonds shall have become or have been declared due and payable,

First, to the payment to the Owners entitled thereto of all installments of interest (together with interest due on overdue installments of interest to the extent allowed by law) then due on the Subordinate Bonds in the order of their due dates, and, if the amount available shall not be sufficient to pay in full any installment or installments due on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Owners entitled thereto, without any discrimination or preference; and

Second, to the payment to the Owners entitled thereto of the unpaid principal or Redemption Price of the Subordinate Bonds with respect to which such remedy was exercised which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall

not be sufficient to pay in full the unpaid principal or Redemption Price of all the Subordinate Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Owners entitled thereto, without any discrimination or preference.

(ii) If the principal of all of the Subordinate Bonds with respect to which such remedy was exercised shall have become or have been declared due and payable, to the payment of the principal or Redemption Price and interest then due and unpaid upon the Subordinate Bonds, with interest on the overdue principal, Redemption Price and interest (to the extent allowed by law) at the rate borne by the respective Subordinate Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest or Redemption Price, or of interest over principal or Redemption Price, or of Redemption Price over principal or interest, or of any installment of interest over any other installment of interest, or of any Subordinate Bond over any other Subordinate Bond, according to the amounts due respectively for principal, Redemption Price and interest, to the Owners entitled thereto without any discrimination or preference.

No amounts shall be paid pursuant to this Section 9.05 to the owners of the Subordinate Bonds unless and until no Senior Bonds remain Outstanding.

Section 9.06 Trustee May Act Without Possession of Bonds. All rights of action under this Indenture or under any Bonds may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceedings relative thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name, as Trustee for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Indenture.

Section 9.07 Trustee as Attorney-in-Fact. The Trustee is hereby irrevocably appointed (and the Owners of the Bonds, by taking and holding same from time to time, shall be deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the Owners of the Bonds, or on behalf of all Owners of the Bonds as a class, with respect to any proof of debt, amendment to proof of debt, petition or other document, and to do and perform any and all acts and things for and in the name of the Owners of the Bonds against the Authority allowed in any equity receivership, insolvency, liquidation, bankruptcy, reorganization or other proceedings to which the Authority shall be a party and to receive payment of or on account of such claims. Any such receiver, assignee, liquidator or trustee is hereby authorized by each of the Owners of the Bonds to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Owners of the Bonds, to pay to the Trustee and indemnify the Trustee for any amount due for compensation and expenses of the Trustee, including counsel fees, incurred up to the date of such distribution, and the Trustee shall have full power of substitution and delegation in respect of any such powers.

Section 9.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or the Controlling Party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity or by statute, subject to the right of the Controlling Party to direct the remedies and the limitations

on remedies for the benefit of the Owners of the Senior Bonds and the Subordinate Bonds set forth in Section 9.04.

Section 9.09 Limitation on Suits. All rights of action in respect of this Indenture shall be exercised only by the Trustee (excepting the Unassigned Rights, which may only be enforced by the Authority or the Authority Indemnified Persons, as the case may be), and the Owner of any Bond, except as provided in Section 9.04(d), shall not have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy hereunder or by reason hereof, unless and until an Event of Default has occurred and is continuing, the Trustee shall have received a Request of the Controlling Party, and shall have been furnished reasonable indemnity and shall have refused or neglected for 30 days thereafter to institute such suit, action or proceedings, and no direction inconsistent with such Request has been given to the Trustee during such 30-day period by the Controlling Party. The making of such request and the furnishing of such indemnity shall in each and every case be conditions precedent to the execution and enforcement by any Owner of any Affected Bond, if such Owners are then the Controlling Party, of the powers and remedies given to the Trustee hereunder and to the institution and maintenance by any such Owner of any action or cause of action for the appointment of a receiver or for any other remedy hereunder, but the Trustee may, in its discretion, and when duly requested in writing by the Controlling Party and when furnished indemnity satisfactory to protect it against expenses, charges and liability shall, subject to Section 9.04(c), take such appropriate action by judicial proceedings otherwise in respect of any existing default on the part of the Authority as the Trustee may deem desirable in the interest of the Controlling Party. The rights of the Owners under this Section are in all events subject to the provisions of Section 9.04.

Nothing contained in this Article shall affect or impair the right of any Owner of any Bonds, which shall be absolute and unconditional, to enforce the payment of the principal of, Redemption Price, if any, and interest on the Bonds of such Owner, but only out of the moneys for such payment as herein provided, or the obligation of the Authority, which shall also be absolute and unconditional, to make payment of the principal of, Redemption Price, if any, and interest on the Bonds, but only out of the funds provided herein for such payment, to the respective Owners thereof at the time and place stated herein, and subject in all cases to Section 9.04(c).

Section 9.10 Right of Controlling Party to Direct Proceedings. Notwithstanding any provision of this Indenture to the contrary other than as specifically set forth in Section 9.02, the Controlling Party shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the pursuit or exercise of any remedy available to the Trustee or any trust or power conferred on the Trustee or any other proceedings hereunder; provided, that the Trustee shall have been satisfactorily indemnified and that such direction shall not be contrary to law or the provisions of this Indenture, and, unless such direction relates to the acceleration of all or a portion of the Affected Bonds, the Trustee shall have the right to decline to follow any such direction if the Trustee shall in its sole discretion determine that the proceedings so directed would involve it in personal liability for which it has not received adequate indemnity. The rights of the Owners under this Section are in all events subject to the provisions of Section 9.04.

Section 9.11 Restoration of Rights and Remedies. If the Trustee, the Controlling Party or any Owner has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, the Controlling Party or such Owner, then and in every such case, the Authority, the Trustee, the Controlling Party and the Owners shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee, the Controlling Party and the Owners shall continue as though no such proceeding had been instituted.

Section 9.12 Waiver of Stay or Extension Laws. To the extent that it may lawfully do so, the Authority covenants that it will not at any time insist upon, plead or in any manner whatsoever claim or take the benefit or advantage of any stay or extension law, whenever or wherever enacted, which may affect the covenants under or the performance of this Indenture. The Authority also covenants that it will not otherwise hinder, delay or impede the execution of any power herein granted to the Trustee.

Section 9.13 Delay or Omission Not Waiver. No delay or omission of the Trustee, the Controlling Party or of any Owner to exercise any right or remedy accruing upon any Event of Default hereunder shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee, the Controlling Party or to the Owners may be executed from time to time, and as often as may be deemed expedient, by the Trustee, the Controlling Party or by the Owners, as the case may be.

ARTICLE X

CONCERNING THE TRUSTEE

Section 10.01 Trustee; Appointment and Acceptance of Duties. (a) Wilmington Trust, National Association, is hereby appointed as Trustee. The Trustee hereby accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Authority agrees and the respective Owners agree by their acceptance of delivery of any of the Bonds. The Trustee shall be deemed to have accepted such trusts with respect to all the Bonds hereafter to be issued, but only upon the terms and conditions set forth in this Indenture. The Trustee may execute any of the trusts or powers set forth herein and perform the duties required of it or imposed on it hereunder by or through attorneys, agents or receivers, and shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Trustee in accordance with the advice of qualified counsel or other qualified professionals retained or consulted by the Trustee concerning all matters of trusts and its duties herein.

Section 10.02 The Trustee Shall Serve as Paying Agent for the Bonds. As Paying Agent, the Trustee agrees that it will (i) hold all sums held by it for the payment of principal or Redemption Price of or interest on Bonds in trust for the benefit of the Owners entitled thereto, until such sums shall be paid to such Owners or otherwise disposed of as herein provided; and (ii) give the Authority written notice of any default in the making of any such payment of principal or interest.

Section 10.03 Registrars and Other Agents; Appointment and Acceptance of Duties.

(a) The Authority may appoint one or more Registrars or other agents to perform any of the duties and obligations imposed under this Indenture or any Supplemental Indenture, and separate appointments may be made for the Bonds of each Series. The Trustee shall serve as initial Registrar for the Bonds.

(b) Each Registrar or other agent, other than the Trustee, shall signify its acceptance of the duties and obligations imposed upon it by this Indenture or any Supplemental Indenture by executing and delivering to the Authority and the Trustee a written acceptance thereof.

Section 10.04 Responsibilities of the Trustee.

(a) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Authority, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds issued thereunder or as to the security afforded by this Indenture, and the Trustee shall not incur any liability in respect thereof; provided, however, that the Trustee represents and warrants that this Indenture is the valid and binding legal obligation of the Trustee enforceable against the Trustee in accordance with its terms. The Trustee shall, however, be responsible for its express representations contained in any authentication on the Bonds. The Trustee shall not be under any responsibility or duty with respect to the application of any money paid to the Authority or money collected by the Authority prior to the delivery thereof to the Trustee. The Trustee shall not be under any obligation or duty to perform any act, whether requested by the Owners or otherwise, which would involve it in liability or to institute or defend any suit in respect hereof, or to advance any of its own money, unless it has been satisfactorily indemnified against such liability other than liability resulting from its negligence or willful misconduct. The Trustee shall be entitled to request and receive written instructions from the Authority and shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken by the Trustee in accordance with the written direction of such party. Subject to the provisions of subsection (b) of this Section, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. In no event shall the Trustee be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(b) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances. Except for a default under Section 9.02(a), (b), (e), (f), or (g), the Trustee shall not be deemed to have notice of any default or Event of Default hereunder absent the receipt of written notice. The Trustee shall not be required to take notice or be deemed

to have notice of any default or Event of Default hereunder except a default under Sections 9.02(a), (b), (e), (f) or (g), unless a responsible officer of the Trustee is specifically notified in writing of such default by the Authority or by the Owners of at least 25% in aggregate principal amount of all Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee must, to be effective, be delivered at the Principal Office of the Trustee, and in the absence of the notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Any provision of this Indenture relating to action taken or to be taken by the Trustee or the evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

(c) The Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document (other than to establish facial compliance with the format required by this Indenture) but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Authority, in person or by agent or attorney. Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Authority, the Controlling Party, or any of their directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all such Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(d) To the fullest extent permitted by law, but only from and to the extent of Revenues available therefor under this Indenture, the Authority agrees to indemnify and save harmless the Trustee, against any and all fees, costs, and charges and losses, damages, claims, actions and liabilities and expenses of any conceivable nature from funds available pursuant to the terms and provisions of this Indenture. The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any party, pursuant to the provisions of this Indenture, not otherwise required by the Indenture, unless such requesting party shall have offered to the Trustee security or indemnity (satisfactory to the Trustee in its sole and absolute discretion) against the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction. The Trustee's immunities and protections from liability and its right to indemnification from the Authority from moneys available therefor under this Indenture in connection with the performance of its duties under this Indenture shall extend to the non-negligent acts and non-willful acts and actions taken on behalf of the Trustee by the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture and final payment of the Bonds.

(e) The permissive right of the Trustee to take the actions permitted by this Indenture shall not be construed as an obligation or duty to do so. So long as no Event of Default has occurred and is continuing, all of the Trustee's duties under this Indenture shall be deemed purely ministerial

in nature, and the Trustee shall not be liable except for the performance of such duties, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(f) Promptly after receiving appropriate notification thereof, at the cost of the Authority, the Trustee shall be responsible for sending notifications required to be sent to the Owners hereunder and requesting consents of the Owners when required hereunder.

(g) Except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(h) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder. It is further expressly understood and agreed that the Trustee shall be under no liability of any kind or character whatsoever for the payment of any costs of the Project and that all such costs shall be paid from amounts held pursuant hereto for such purpose.

(i) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility

(j) The Trustee shall be entitled to request and receive written instructions or directions pursuant to this Indenture sent by the Authority by unsecured e-mail, facsimile transmission, or other similar unsecured electronic methods, provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing designated individuals with the authority to provide such instructions, which incumbency certificate shall be amended whenever an individual is to be added or deleted from the listing. If the Authority elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee acts upon such instructions, the Trustee's reasonable understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs, or expenses arising directly or indirectly from any action taken or not taken by the Trustee or from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction that the Trustee receives after the Trustee has acted on a previous instruction or direction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on instructions, and the risk of interception and misuse by third parties.

Section 10.05 Evidence on Which the Trustee May Act.

(a) The Trustee, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Indenture, shall be entitled to conclusively rely upon, and shall be protected in acting, or refraining from acting, upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties and consented to by such other parties where required, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. The Trustee may consult with counsel, who may or may not be counsel to the Authority, or any Consultant, and the opinion of such counsel or Consultant, if selected with due care, shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Indenture in accordance therewith.

(b) Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless other evidence in respect thereof be therein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the Authority, and such shall be full warrant by the Authority (subject to Section 13.17) for any action taken or suffered in good faith under the provisions of this Indenture, and the Trustee shall be entitled to conclusively rely upon, and shall be protected in acting or refraining from acting upon, such Certificate; but in its sole discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

(c) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to the Trustee shall be sufficiently executed if executed in the name of the Authority by an Authorized Authority Representative.

(d) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, receivers, agents or employees but shall not be answerable for the conduct of attorneys and receivers who have been selected by it with reasonable care, and may in all cases pay reasonable compensation to all attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof, and the Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care by it.

(e) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(f) The Trustee shall be entitled to payment of and/or reimbursement for reasonable fees for its ordinary services rendered hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust) and all advances, agent and counsel fees, costs and expenses, and other ordinary expenses reasonably made or incurred by the Trustee in connection with such ordinary services and, if it should become necessary that the Trustee perform extraordinary services, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable extraordinary expenses in connection therewith (including attorneys' fees, costs and expenses); provided that if such extraordinary services or extraordinary costs and expenses are occasioned by the gross negligence or willful

misconduct of the Trustee, it shall not be entitled to compensation or reimbursement therefor. Upon an Event of Default, the Trustee shall have a first lien with right of payment before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred. The Trustee's right to compensation and indemnification shall survive the satisfaction and discharge of this Indenture or its resignation or removal hereunder and payment in full of the Bonds.

Section 10.06 Certain Permitted Acts. The Trustee may become the Owner of any Bonds with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depository for, and may permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds Outstanding. The provisions of this Section shall extend to affiliates of the Trustee.

Section 10.07 Resignation of Trustee. Except as otherwise provided by a Supplemental Indenture, the Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture, by giving not less than 30 days' written notice to the Authority of the date it desires to resign and mailing written notice to the Owners of all Bonds, and such resignation and discharge shall take effect immediately on the appointment and acceptance of a successor Trustee.

Section 10.08 Removal of Trustee. So long as an Event of Default has not occurred and is not continuing, the Trustee may be removed, with or without cause, at any time at the Direction of the Authority. Notwithstanding the foregoing, any removal of the Trustee shall not be effective until a successor Trustee has been appointed and has assumed the duties and responsibilities of successor Trustee under this Indenture.

Section 10.09 Appointment of Successor Trustee.

(a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Authority, by an instrument in writing signed and acknowledged by the Authority or by its attorney-in-fact duly authorized and delivered to such successor Trustee, notification thereof being given to the predecessor Trustee. The successor Trustee shall mail notice of the appointment of the successor Trustee to the Owners of all Bonds.

(b) If no appointment of a successor Trustee shall be made within 45 days after the Trustee shall have given to the Authority written notice as provided in Section 10.07 or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, its removal, or for any other reason whatsoever, the Trustee (in the case of a resignation under Section 10.07) and at the sole cost and expense of the Authority (including with respect to reasonable attorneys' fees and expenses), or the Controlling Party may apply to any court of competent jurisdiction to

appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee or for other appropriate relief, and any such resulting appointment or relief shall be binding upon the Authority, the Controlling Party, and any and all other parties, and thereafter the Trustee shall have no further duties, responsibilities or obligations hereunder or under any of the Bond Documents to which it is a party.

(c) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national or state banking association and duly authorized to exercise trust powers and subject to examination by federal or state authority and having (or whose parent holding company shall have) reported capital and surplus of not less than \$50,000,000.

Section 10.10 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee and to the Authority an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties, and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the Request of the Authority or of the successor Trustee and on the receipt of its outstanding fees and expenses, execute, acknowledge and deliver such instruments of assignment and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all rights, powers, duties and obligations in and to any property held by it under this Indenture or any Project Document, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority. Any such successor Trustee shall promptly notify any Registrars and other agents of its appointment as Trustee.

Section 10.11 Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such entity shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, and shall be authorized by law to perform all duties imposed upon it by this Indenture, shall be the successor Trustee without the execution or filing of any paper or the performance of any further act. The successor Trustee shall mail notice to the Owners of all Outstanding Bonds of the successor Trustee.

Section 10.12 Adoption of Authentication. If any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and if any such Bonds shall not have been authenticated, any

successor Trustee may authenticate such Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall be of full force and effect.

Section 10.13 Resignation or Removal of Agents and Appointment of Successors.

(a) Any Registrar or other agent may at any time resign and be discharged of the duties and obligations created by this Indenture or any Supplemental Indenture by giving at least 60 days' written notice to the Authority, the Trustee and the other agents, if any. Any such agent may be removed at any time by an instrument filed with such agent and the Trustee and signed by the Authorized Authority Representative. Any successor agent shall be appointed by the Authority with the approval of the Trustee and shall be willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it in such capacity by this Indenture.

(b) In the event of the resignation or removal of any agent, such agent shall pay over, assign and deliver any money held by it to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar appointed by the Authority, the Trustee shall act as such Registrar.

(c) The provision of this Section may be modified by a Supplemental Indenture in respect of any Series of Bonds, authorized thereby, and in the event of any conflict with the provisions hereof the provisions of such Supplemental Indenture shall control in respect of any Series of Bonds authorized thereby.

ARTICLE XI

**SUPPLEMENTAL INDENTURES AND
AMENDMENT OF BOND DOCUMENTS**

Section 11.01 Supplemental Indentures and Amendments of Bond Documents Effective Without Consent of Owners. The Authority and the Trustee may, from time to time and at any time, without the consent of but with subsequent notice to the Owners, enter into Supplemental Indentures or amendments to the Bond Documents as follows:

(a) to cure any formal defect, omission, inconsistency or ambiguity in this Indenture or in the applicable Bond Document;

(b) to insert such provisions clarifying matters or questions arising under this Indenture or in the applicable Bond Document as are necessary or desirable and are not contrary to or inconsistent with this Indenture or the applicable Bond Document as theretofore in effect;

(c) to grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Indenture or the Bond Documents as theretofore in effect;

(d) to authorize Additional Bonds, including Refunding Bonds, and in connection therewith, to specify and determine the matters and things referred to in Article III and also any other matters and things relative to such Bonds which are not in conflict with this Indenture as theretofore in effect, or to amend, modify, or rescind any such authorization, specification or determination at any time prior to the first delivery of such Bonds; provided, that such supplement or amendment shall be limited to the specific terms of the Additional Bonds and shall not otherwise amend this Indenture;

(e) to provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture or any Supplemental Indenture or the Bond Documents on the delivery of Bonds or the issuance of other evidences of indebtedness;

(f) to add to the covenants and agreements of the Authority in this Indenture or any Supplemental Indenture or the Bond Documents, other covenants and agreements to be observed by the Authority or the other parties thereto which are not in conflict with this Indenture or the applicable Supplemental Indentures or in the applicable Bond Document as theretofore in effect, provided that such supplement shall not have a material adverse impact on the Bonds;

(g) to add to the limitations and restrictions in this Indenture or any Supplemental Indenture or the Bond Documents other limitations and restrictions to be observed by the Authority or the other parties thereto which are not in conflict with this Indenture or the applicable Supplemental Indentures or in the applicable Bond Documents as theretofore in effect, provided that such supplement shall not have a material adverse impact on the Bonds;

(h) to confirm, as further assurance, any pledge under, and the subjection to any lien or security interest created or to be created by, this Indenture or any Supplemental Indenture, of the Revenues and other assets pledged under this Indenture or of any other moneys, securities or funds, or to subject to the pledge, lien and security interest of this Indenture additional revenues, properties or collateral;

(i) to provide for additional duties of the Trustee in connection with the Revenues and other assets pledged under this Indenture or the Project;

(j) to modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit, if presented, the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or under any state blue sky law;

(k) to surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Indenture; provided, that the surrender of such right, power or privilege is not in conflict with the covenants and agreements of the Authority contained in this Indenture;

(l) to establish or increase the required balance to be accumulated or maintained in the Operating Reserve Fund;

(m) to designate Registrars and other agents for the Bonds of any Series;

- (n) to evidence the appointment or a succession of a new Trustee hereunder;
- (o) to modify, amend or supplement this Indenture or any Supplemental Indenture in order to provide for or eliminate book-entry registration of all or any of the Bonds to the extent not inconsistent with the provisions hereof;
- (p) to make any change that does not materially adversely affect the rights of any Owner; and
- (q) to amend a prior Supplemental Indenture in accordance with the provisions thereof.

Section 11.02 Supplemental Indentures and Amendments to Bond Documents Requiring Owner Consent. Except as provided in Section 11.01 and in the immediately following sentence, any modification or amendment of this Indenture or to any Bond Document and of the rights and obligations of the Authority and of the Owners of the Bonds hereunder or thereunder, in any particular, may only be made by a Supplemental Indenture or an amendment to the applicable Bond Document in each instance with the prior written consent of the Beneficial Owners of a majority in aggregate principal amount of Senior Bonds and Subordinate Bonds then Outstanding affected by such amendment; provided, however, that any amendment of this Indenture providing for the issuance of additional Bonds on a parity with the Series 2020A Bonds may only be made with the prior written consent of the Beneficial Owners of a majority in aggregate principal amount of the Subordinate Bonds then Outstanding. No such modification or amendment shall, without the prior written consent of the Owner of each Bond affected thereby, permit (i) a change in the terms of redemption or maturity of the principal of any Outstanding Bond or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, (ii) creation of a lien upon or a pledge of or payment priority from the Gross Revenues ranking prior to or on a parity with the lien or pledge created by this Indenture, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds of the same lien priority, (iv) a reduction in the percentages or otherwise affect the classes of Bonds of which the consent of the Owners is required to effect any such modification or amendment, (v) an impairment of the exclusion from gross income for federal income tax purposes of interest on any Bond, (vi) a deprivation to any Owners of the pledge, lien and security interest created by this Indenture or (vii) a change or modification of any of the rights or obligations of the Trustee without its prior written consent thereto. For the purposes of this Section, a Series of Bonds shall be deemed to be affected by a modification or amendment of this Indenture or an amendment to the applicable Bond Document if the same materially adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not, in accordance with the foregoing powers of amendment, Bonds of any particular Series, lien priority or maturity would be affected by any modification or amendment of this Indenture or an amendment to the applicable Bond Document and any such determination shall be binding and conclusive on the Authority and all Owners. In making any such determination, the Trustee shall be entitled to receive and may conclusively rely upon an opinion of counsel.

Section 11.03 Consent of Owners. The Authority and the Trustee, as applicable, may at any time enter into a Supplemental Indenture or an amendment to the applicable Bond Document

making a modification or amendment permitted by the provisions of Section 11.02, to take effect when and as provided in this Section.

A copy of such Supplemental Indenture or amendment to a Bond Document (or brief summary thereof), together with a request to Owners for their consent thereto in form satisfactory to the Trustee, shall be posted on EMMA or mailed to Owners as provided in Section 11.08. Each such written consent shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 13.01. Any such consent shall be binding upon the Owner of the Bonds giving such consent and, anything in Section 13.01 to the contrary notwithstanding, upon any subsequent Owner of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Owner of such Bonds giving such consent or a subsequent Owner thereof by filing such revocation with the Trustee prior to the time when the written certificate of the Trustee provided for is filed in the next paragraph. The Trustee may rely upon any such documentation received in accordance with Section 13.01.

Immediately after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture or amendment to a Bond Document with the Trustee, the Trustee shall make and file with the Authority and Bond Counsel a certificate to the effect that (a) a copy of such Supplemental Indenture or amendment to a Bond Document, together with a request for consent thereto, has been mailed to each Owner of Bonds in accordance with this Section 11.03 and Section 11.08 hereof, and (b) the Owners of such required percentages of Bonds specified in Section 11.02 hereof have executed and filed such consents in accordance with Section 13.01 hereof and that that no revocation thereof is on file with the Trustee. Such written certificate shall be conclusive evidence that such consents have been so filed.

Such Supplemental Indenture or amendment to such Bond Document requiring the consent of all or any of the Owners will be effective upon (a) receipt by the Trustee of the requisite consents of such Owners of the percentages of Outstanding Bonds specified in Section 11.02 required to consent to such amendment, (b) filing of the certificate of the Trustee required under the preceding paragraph, (c) the execution of such amendment by the parties thereto filed with the Trustee, and (d) receipt by the Trustee of an Opinion of Bond Counsel, to the effect that such Supplemental Indenture has been duly and lawfully entered into by the Authority in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, is valid and binding upon the Authority and will not, in and of itself, cause interest on any Bonds to be includible in gross income for federal income tax purposes; provided, that such opinion may take exception for limitations imposed by or resulting from bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally and principles of government law and equity.

Upon effectiveness of the Supplemental Indenture or amendment to a Bond Document, the Trustee shall promptly mail a notice to the Owners stating that the Supplemental Indenture or amendment to the Bond Document has been consented to by the Owners of the required percentages of Bonds and is effective. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Any failure

to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture or amendment to a Bond Document.

Section 11.04 Amendment of Particular Bonds. The provisions of this Article shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Section 11.05 Exclusion of Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided in this Article. At the time of any consent or other action taken under this Article, the Authority shall furnish the Trustee a certificate of an Authorized Authority Representative, upon which the Trustee may rely, describing all Bonds to be so excluded.

Section 11.06 General Provisions.

(a) This Indenture and the Bond Documents shall not be modified or amended in any respect except as provided in, in accordance with and subject to provisions of this Article.

(b) Any Supplemental Indenture or amendment to a Bond Document referred to and permitted or authorized by Section 11.01 may be entered into by the Authority and the Trustee, as applicable, without the consent of any of the Owners, but shall become effective only (i) after the parties thereto have duly executed such Supplemental Indenture or Bond Document, (ii) following written notice of the proposed supplement or amendment provided to the Owners and (iii) if such Supplemental Indenture or amendment meets the conditions, and to the extent provided, in Section 11.01. Prior to entering into any Supplemental Indenture or amendment to a Bond Document, the Trustee shall receive an Opinion of Bond Counsel, to the effect that such Supplemental Indenture or amendment to a Bond Document has been duly and lawfully entered into by the Authority in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and is valid and binding upon the Authority and will not, in and of itself, cause the interest on any of the Bonds to be includible in gross income for federal income tax purposes.

Section 11.07 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in this Article may, and, if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Trustee as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of such Owner's Bond for the purpose at the Principal Office of the Trustee or other agent responsible for transferring Bonds or upon any transfer of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer by the Trustee or other agent responsible for transferring Bonds as to any such action. If the Trustee shall so determine, new Bonds so modified as directed by the Trustee to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Owner of any Bond Outstanding shall be exchanged, without cost to such Owner, for Bonds Outstanding, upon surrender of such Bonds, for Bonds of the same Series and maturity then Outstanding.

Section 11.08 Mailing. Any provision in this Article for the mailing of a notice or other instrument to Owners shall be fully complied with if it is mailed postage prepaid to each Owner of Bonds at the address, if any, appearing upon the Register and to the Trustee.

ARTICLE XII

[RESERVED]

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Evidence of Signatures of Owners and Ownership of Bonds

(a) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(i) The fact and date of the execution by any Owner or such Owner's attorney of such instruments may be proved by a guarantee of the signature thereon by a bank or trust company or member of a national securities exchange or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution by an officer of a corporation or association or a member of a partnership, purports to be on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of such officer's or member's authority.

(ii) The amount of Bonds transferable by delivery held by any Person executing any instrument as an Owner, the date of such Person's holding such Bonds, and the numbers and other identification of such Bonds, may be proved by a certificate, which need not be acknowledged or verified, in form satisfactory to the Trustee, executed by the Trustee or by a member of a financial firm or by an officer of a bank, trust company, insurance company or financial corporation or other depository wherever situated, showing at the date mentioned that such person exhibited to such member or officer or had on deposit with such depository the Bonds described in such certificate. Such certificate may be given by a member of a financial firm or by an officer of any bank, trust company, insurance company or financial corporation or depository with respect to Bonds owned by it, if acceptable to the Trustee. In addition to the foregoing provisions, the Trustee may from time to time make such reasonable regulations as it may deem advisable permitting other proof of holding of Bonds transferable by delivery.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be provided by the Registrar.

(c) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Authority or any agent in accordance herewith.

(d) In determining whether the Owners of the requisite percentage of the Series of Bonds have been met for any request, consent, approval or other action required hereunder from such Owners, such requisite percentage shall be based upon the principal amount of all of the Bonds of such Series then Outstanding, excluding any Bonds then registered in the name of the Authority.

Section 13.02 Money Held for Particular Bonds. Subject to the provisions of Section 13.04, the amounts held by the Trustee for the payment of the interest or principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

Section 13.03 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times upon reasonable notice to the inspection of the Authority, and any Owner and their agents and their representatives, any of whom may make copies thereof at the expense of the party so requesting.

Section 13.04 Failure to Present Bonds. Anything in this Indenture to the contrary notwithstanding, but subject to any applicable escheat or unclaimed property laws of the State, any money held by an agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for such period of time, after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, that the Owner thereof shall no longer be able to enforce the payment thereof, the Agent shall at the Request of the Authority received at least 45 days prior to the expiration and/or running of any applicable escheat or unclaimed property laws, pay such money to the Authority as its absolute property and free from trust, and the Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of such Bonds; provided, that before being required to make any such payment to the Authority, the Agent shall, at the Direction and expense of the Authority (subject to Section 13.17), cause to be mailed to the Owners of the Bonds entitled to such money, a notice that such money remains unclaimed and that, after a date named in said notice at the Authority's Direction, which date shall be not less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the Authority.

Section 13.05 Parties Interested Herein. Nothing in this Indenture or any Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Authority, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture or any Supplemental Indenture or any covenant, condition or stipulation hereof or thereof; and all the covenants, stipulations, promises and agreements in this Indenture

and each Supplemental Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Owners thereunto appertaining.

Section 13.06 No Recourse on the Bonds. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or for any other obligation under this Indenture or on any Supplemental Indenture against any officer or employee of the Authority or the Trustee or any person executing or authenticating the Bonds.

Section 13.07 No Authority or Individual Liability. No Authority Indemnified Persons shall be individually or personally liable for the payment of any principal, Redemption Price, or interest on the Bonds or any costs incidental thereto or any sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Indenture except in the case of such Authority Indemnified Person's own willful misconduct.

The Authority and the Authority Indemnified Persons are fully and forever and irrevocably released from and shall be fully defended, indemnified and protected by amounts in the Extraordinary Expense Fund against any and all Liabilities, including, without limitation, any Liabilities arising out of or based upon or in any way relating to:

(a) the Bonds, the Indenture, the Bond Documents, the Tax Certificate, and the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds and the ownership or operation of the Project;

(b) the performance and observance by or on behalf of the Authority of those things on the part of the Authority agreed to be performed or observed hereunder and under the Indenture and the documents identified in Subsection (a), above;

(c) any act or omission of the Project Administrator, the Property Manager, the Insurance Consultant, the Housing Consultant or any of their respective affiliates or affiliated persons, agents, attorneys, contractors, servants, employees, tenants or licensees in connection with the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof;

(d) any violation of any Environmental Regulations with respect to, or the release of any Hazardous Substances from, the Project or any part thereof;

(e) the defeasance and/or redemption, in whole or in part, of the Bonds;

(f) any untrue statement or misleading statement or alleged untrue statement or misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or any regulatory inquiry or investigation of same;

(g) any declaration of taxability of interest on the Bonds, or allegations that interest on the Bonds is taxable or any regulatory audit or inquiry regarding whether interest in the Bonds is taxable; or

(h) any injury to or death of any Person or damage to property in or upon the Project or growing out of or connected with the use, nonuse, condition or occupancy of the Project;

except in the case of the foregoing indemnification of the Authority and the Authority Indemnified Persons, (i) to the extent such damages are caused by the willful misconduct of the Authority (if the Authority is seeking indemnification) or (ii) the Authority Indemnified Person seeking indemnification.

Section 13.08 Indenture and Supplemental Indentures to Constitute Contracts. The rights of any persons to indemnify hereunder and rights to payment of fees and reimbursement of expenses shall survive the final payment or defeasance of the Bonds and in the case of the Trustee any resignation or removal. The provisions of this Section shall remain valid and in effect notwithstanding payment, redemption or defeasance of the Bonds or termination of the Indenture. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Indenture and each Supplemental Indenture shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Owners; and the pledge made in this Indenture and the covenants and agreements herein to be performed by or on behalf of the Authority shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank within preference, priority or distinction of any of the Bonds over any other thereof, except as otherwise provided in or permitted by this Indenture or Supplemental Indenture.

Section 13.09 Notice. Any notice, demand, direction, request or other instrument authorized or required by this Indenture to be given to or filed with the Authority, the Trustee or the Project Administrator shall be deemed to have been given only upon receipt. Any notice shall be sent by (i) e-mail or (ii) facsimile, and in either case followed by a hard copy via registered or certified mail or by overnight delivery, postage prepaid, to the address specified below or to such other address as may be designated in writing by the parties:

Authority or Designated Agent: CSCDA Community Improvement Authority
1700 North Broadway, Suite 405
Walnut Creek, CA 94596
Attention: Jon Penkower
Email: jpenkower@cscda.org

Trustee: Wilmington Trust, National Association
650 Town Center Drive, Suite 800
Costa Mesa, California 92626
Attention: Corporate Trust Services
Facsimile: (714) 384-4151

Project Standard Renaissance Administrator LLC
Administrator: 1901 Avenue of the Stars, Suite 395
Los Angeles, CA 90067
Attention: Jeffrey Jaeger and Brad Martinson

Section 13.10 Governing Law. This Indenture and each Supplemental Indenture shall be governed in all respects, including validity, interpretation and effect, by, and shall be enforceable in accordance with, the laws of the State without regard to conflict of laws provisions. Any action arising hereunder shall (unless waived by the Authority hereunder in writing) be filed and maintained in the Superior Court of California, County of Sacramento.

Section 13.11 Entire Agreement; Severability of Invalid Provisions. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written. If any one or more of the covenants or agreements provided in this Indenture or any Supplemental Indenture on the part of the Authority or the Trustee to be performed shall be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture or any Supplemental Indenture.

Section 13.12 Successors. Whenever in this Indenture or any Supplemental Indenture the Authority or the Trustee is named or referred to, it shall be deemed to include any entity succeeding to the principal functions and powers of the Authority or the Trustee, as appropriate, and all the covenants and agreements in this Indenture and each Supplemental Indenture by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of said successor whether so expressed or not. Notwithstanding the foregoing, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity and exculpation from pecuniary liability), each Authority Indemnified Person is a third-party beneficiary of this Indenture entitled to enforce such rights in his, her, its, or their own name.

Section 13.13 Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

Section 13.14 Execution in Several Counterparts. This Indenture may be simultaneously executed in several counterparts, all of which shall constitute one and the same instrument and each of which shall be, and shall be deemed to be, an original. The parties hereto agree the transactions described herein may be conducted and related documents may be sent and stored by electronic means.

Section 13.15 Non-Liability of Authority. The Authority shall not be obligated to pay the principal of, Redemption Price, or interest on the Bonds or any costs incidental thereto, including the costs and expenses of the Project and indemnification of the Trustee, except as payable from Revenues available therefor under and in accordance with this Indenture. Notwithstanding

anything to the contrary in this Indenture or any other document, the Authority shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, any Supplemental Indenture, the Bonds, the Bond Documents, the Property Management Agreement or the Project Administration Agreement, or other documents related to the Bonds or the Project, except only to the extent of Revenues available therefor under and in accordance with this Indenture.

Section 13.16 No Obligation to Enforce Assigned Rights. Notwithstanding anything to the contrary in this Indenture, the Authority shall have no obligation to and instead the Trustee shall be entitled to, subject to the provisions of this Indenture, without further direction from or action by the Authority, take any and all steps, actions and proceedings, to enforce any or all rights of the Authority under this Indenture (other than the Unassigned Rights and any other rights specifically retained by the Authority pursuant to this Indenture), provided that, upon Request of the Trustee and subject to payment of Authority expenses from moneys available pursuant to this Indenture, the Authority will cooperate with and assist the Trustee to the extent necessary to enable the Trustee to properly enforce such rights.

Section 13.17 Authority's Performance. None of the provisions of this Indenture shall require the Authority to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Revenues available therefor under this Indenture, or unless the Authority shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Authority shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Trustee. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Indenture, and any and every Bond executed, authenticated and delivered hereunder; provided however, that unless required by the express provisions of this Indenture, the Authority shall not be obligated to take any action or execute any instrument unless and until it shall have (i) been directed to do so in writing by the Trustee or the Owners having the Authority to so direct; (ii) received from the Person requesting such action or execution assurance satisfactory to the Authority that the Authority's reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Authority; and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Authority; provided nothing herein shall obligate the Trustee to pay or reimburse the Authority for any such expenses.

Whenever in this Indenture it is stated that the Authority shall "cause" another Person to take or omit any action, the Authority shall be entitled to rely conclusively, solely and entirely (and without independent investigation or verification) (i) on the faithful and timely performance by the Trustee of its obligations hereunder as Trustee, (ii) on the faithful and timely performance by the Project Administrator of its obligations under the Project Administration Agreement, (iii) upon any written certification or opinion furnished to the Authority by the Trustee. In acting, or refraining from acting, under this Indenture, the Authority may conclusively rely on the advice

of its counsel. The Authority shall not be required to take any action hereunder or under the Authority Documents that it reasonably believes to be unlawful or in contravention hereof or thereof. In respect of the foregoing, the Authority nevertheless covenants and agrees that it will not knowingly interfere with or prevent the Trustee or the Project Administrator, as the case may be, from taking any action required hereby, nor knowingly require or seek to compel the Trustee or the Project Administrator, as the case may be, to take any action prohibited hereby except in good faith and reasonably believing that such action or omission is in violation of the Trustee's or the Project Administrator's duties and obligations under the respective Bond Documents to which each is a party.

Section 13.18 No Impairment of Rights. Nothing herein shall be deemed or construed to limit, impair or affect in any way the Authority's (or any Authority Indemnified Person's) exclusive right to enforce the Unassigned Rights or any action based thereon, and regardless of any waiver or forbearance granted by the Trustee or any Owner in respect thereof. Any default in respect of the Unassigned Rights may only be waived with the Authority's written consent.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Indenture to be executed and delivered on their behalf by their duly authorized representatives, all as of the day and year first written above.

CSCDA COMMUNITY IMPROVEMENT
AUTHORITY

By: _____

Name: _____

Title: Authorized Signatory

WILMINGTON TRUST, NATIONAL
ASSOCIATION, AS TRUSTEE

By: _____

Authorized Representative

EXHIBIT A
MASTER GLOSSARY OF TERMS

EXHIBIT B-1

FORM OF SERIES 2020A BOND INVESTOR REPRESENTATION LETTER

EXHIBIT B-2

FORM OF SERIES 2020B BOND INVESTOR REPRESENTATION LETTER

The CSCDA Community Improvement Authority (the “Authority”), for value received, hereby promises to pay upon surrender hereof at the designated corporate trust office of Wilmington Trust, National Association, or any successor thereto (the “Trustee”), solely from the sources and as herein and in the Indenture provided and permitted, to the Registered Owner hereof, the principal sum stated above on the maturity date stated above, subject to prior redemption as herein provided, and to pay, solely from such sources, interest hereon semiannually on each January 1 and July 1 (each, an “Interest Payment Date”), beginning July 1, 2021, at the Interest Rate stated above. Interest is payable from (a) the Dated Date set forth above, if this Series 2020A Bond is authenticated prior to July 1, 2021, or (b) otherwise from the January 1 or July 1, that is, or immediately precedes, the date on which this Series 2020A Bond is authenticated (unless payment of interest hereon is in default, in which case this Series 2020A Bond shall bear interest from the date to which interest has been paid). Interest is payable on each Interest Payment Date (1) by check or draft mailed on such date to the Owner hereof at such Owner’s address as it appears on the Register, as defined in the Indenture, as of the close of business on the 15th day of the calendar month (whether or not a Business Day) preceding such Interest Payment Date (the “Record Date”), or (2) by wire transfer in accordance with a written notice and completed wire instructions for a wire transfer address in the United States provided by the Owner hereof to the Trustee not less than 15 days prior to such Interest Payment Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice); provided, that such wire transfer shall only be made for a registered owner of \$1,000,000 or more in aggregate principal amount of the Series 2020A Bonds as of the close of business on the Record Date for such Interest Payment Date. This Series 2020A Bond shall be payable as to principal and Redemption Price, as defined in the Indenture, and interest in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Series 2020A Bond is one of an issue of \$67,675,000 CSCDA Community Improvement Authority Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A (the “Series 2020A Bonds”), issued to finance the acquisition of the Project, including the funding of various funds and accounts, including reserves, and to pay Costs of Issuance, as those terms are defined in the Indenture.

This Series 2020A Bond and the premium, if any, and the interest hereon are limited obligations of the Authority and are payable solely from the Trust Estate pledged under the Indenture, all in accordance with the Indenture.

The Series 2020A Bonds are issued under a Trust Indenture dated as of December 1, 2020 (the “Indenture”), between the Authority and the Trustee. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the rights of the Owners, as defined in the Indenture, of the Series 2020A Bonds, the terms upon which the Series 2020A Bonds are issued and secured and the conditions on which the Indenture may be amended (including without consent of any Owners). Concurrently with the issuance of the Series 2020A Bonds, the Authority is issuing its CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B (the “Series 2020B Bonds”) in the aggregate principal amount of \$3,000,000.

The Series 2020A Bonds are subject to redemption on the dates, and upon the terms and conditions, set forth in the Indenture.

No Owner of any Series 2020A Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Authority and the Trustee may deem and treat the person in whose name this Series 2020A Bond shall be registered in the Register as the absolute owner of this Series 2020A Bond, whether this Series 2020A Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price of and interest on this Series 2020A Bond and for all other purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. Notwithstanding the foregoing, interest on this Series 2020A Bond, other than interest payable at maturity or on a Redemption Date, shall be paid to the Person, as defined in the Indenture, in whose name this Series 2020A Bond is registered on the Register at the close of business on the Record Date for such Interest Payment Date.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2020A Bond have happened, exist and have been performed.

This Series 2020A Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have manually executed the certificate of authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the CSCDA Community Improvement Authority has caused this Series 2020A Bond to be signed by the manual or facsimile signature of its Chair and attested by the manual or facsimile signature of its Secretary on this ____ day of December, 2020.

CSCDA COMMUNITY IMPROVEMENT
AUTHORITY

By: _____
Chair

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

This Series 2020A Bond is one of the Series 2020A Bonds of the issue described in the within-mentioned Indenture.

Dated: _____

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Series 2020A Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer the same on the registration books maintained by the Authority with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the Registered Owner of the within Series 2020A Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Social Security Number, Taxpayer
Identification Number or Other Identifying
Number of Assignee:

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange, the National Association of Securities Dealers or a commercial bank or trust company.

EXHIBIT D

FORM OF SERIES 2020B BOND

REGISTERED

REGISTERED

No. RB-_____

\$3,000,000

**CSCDA COMMUNITY IMPROVEMENT AUTHORITY
SUBORDINATE ESSENTIAL HOUSING REVENUE BONDS, SERIES 2020B
(RENAISSANCE AT CITY CENTER)**

**THIS SERIES 2020B BOND IS SUBORDINATE TO ALL OF THE SENIOR BONDS
REFERRED TO HEREIN TO THE EXTENT DESCRIBED
IN THE INDENTURE REFERRED TO HEREIN.**

THE SERIES 2020B BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE AUTHORITY, ANY OF ITS MEMBERS, THE STATE OF CALIFORNIA, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE SERIES 2020B BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE SERIES 2020B BONDS OR ANY OF THE AUTHORITY'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE AUTHORITY HAS NO TAXING POWER.

THIS BOND MAY NOT BE TRANSFERRED BY THE REGISTERED OWNER HEREOF TO ANY PERSON OTHER THAN TO A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED); OR AN "ACCREDITED INVESTOR" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED).

Interest Rate	Maturity Date	Dated Date	CUSIP No.
%		_____, 2020	

REGISTERED OWNER: Standard Renaissance Administrator LLC

PRINCIPAL AMOUNT:

_____ DOLLARS

The CSCDA Community Improvement Authority (the “Authority”), for value received, hereby promises to pay upon surrender hereof at the designated corporate trust office of Wilmington Trust, National Association, or any successor thereto (the “Trustee”), solely from the sources and as herein and in the Indenture provided and permitted, to the Registered Owner hereof, the principal sum stated above on the maturity date stated above, subject to prior redemption as herein provided, and to pay, solely from such sources, interest hereon on each July 15, beginning July 15, 2021, and each January 15 and July 15 following receipt by the Trustee of Audited Financial Statements demonstrating a Debt Service Coverage Ratio of at least 1.20:1.00, semiannually on each January 15 and July 15 (each, an “Interest Payment Date”), at the Interest Rate stated above. Interest is payable from (a) the Dated Date set forth above, if this Series 2020B Bond is authenticated prior to July 15, 2021, or (b) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which this Series 2020B Bond is authenticated (unless payment of interest hereon is in default, in which case this Series 2020B Bond shall bear interest from the date to which interest has been paid). Interest is payable on each Interest Payment Date (1) by check or draft mailed on such date to the Owner hereof at such Owner’s address as it appears on the Register, as defined in the Indenture, as of the close of business on the 15th day of the calendar month (whether or not a Business Day) preceding such Interest Payment Date (the “Record Date”), or (2) by wire transfer in accordance with a written notice and completed wire instructions for a wire transfer address in the United States provided by the Owner hereof to the Trustee not less than 15 days prior to such Interest Payment Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice); provided, that such wire transfer shall only be made for a registered owner of \$1,000,000 or more in aggregate principal amount of the Series 2020B Bonds as of the close of business on the Record Date for such Interest Payment Date. This Series 2020B Bond shall be payable as to principal and Redemption Price, as defined in the Indenture, and interest in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Series 2020B Bond is one of an issue of \$3,000,000 CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020B (the “Series 2020B Bonds”), issued to finance, among other things, the acquisition of the Project, as defined in the Indenture.

This Series 2020B Bond and the premium, if any, and the interest hereon are limited obligations of the Authority and are payable from the Revenues, as defined in the Indenture, and other assets pledged under the Indenture, subject to priority of and subordinate to the Series 2020A Bonds (hereinafter defined) all in accordance with the Indenture.

The Series 2020B Bonds are issued under a Trust Indenture dated as of December 1, 2020 (the “Indenture”), between the Authority and the Trustee. Reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the rights of the Owners, as defined in the Indenture, of the Series 2020B Bonds, the terms upon which the Series 2020B Bonds are issued and secured and the conditions on which the Indenture may be amended (including

without consent of any Owners). Concurrently with the issuance of the Series 2020B Bonds, the Authority is issuing its CSCDA Community Improvement Authority Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A (the “Series 2020A Bonds”) in the aggregate principal amount of \$67,675,000, which bonds are senior in right and time of payment to the Series 2020B Bonds.

THE SERIES 2020B BONDS ARE SUBORDINATE TO THE SERIES 2020A BONDS IN PAYMENT AND SECURITY. So long as any Series 2020A Bonds are Outstanding, the Senior Bond “Controlling Party” (as defined under the Indenture), shall have the sole right to consent to or direct certain actions of the Trustee under the Indenture, including actions in event of default. Amounts on deposit in the Senior Debt Service Reserve Fund and certain other Funds are not available to pay principal of and interest on any of the Subordinate Bonds.

The Series 2020B Bonds are subject to redemption on the dates, and upon the terms and conditions, set forth in the Indenture.

FAILURE TO REDEEM OR TO PAY SERIES 2020B BONDS PURSUANT TO THE INDENTURE FOR ANY REASON SHALL NOT CONSTITUTE AN EVENT OF DEFAULT UNDER THE INDENTURE WHILE ANY SERIES 2020A BONDS ARE OUTSTANDING.

No Owner of any Series 2020B Bond shall have any right to institute any suit, action or proceedings at law or in equity for the appointment of a receiver or for any other remedy under the Indenture or by reason thereof, except to the extent and in the circumstances permitted by the Indenture.

The Authority and the Trustee may deem and treat the person in whose name this Series 2020B Bond shall be registered in the Register as the absolute owner of this Series 2020B Bond, whether this Series 2020B Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal amount or Redemption Price of and interest on this Series 2020B Bond and for all other purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this Series 2020B Bond have happened, exist and have been performed.

This Series 2020B Bond shall not be valid or entitled to any security or benefit under the Indenture until the Trustee shall have executed the certificate of authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the CSCDA Community Improvement Authority has caused this Series 2020B Bond to be signed by the manual or facsimile signature of its Chair and attested by the manual or facsimile signature of its Secretary on this ____ day of December, 2020.

CSCDA COMMUNITY IMPROVEMENT
AUTHORITY

By: _____
Chair

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This Series 2020B Bond is one of the Series 2020B Bonds of the issue described in the within-mentioned Indenture.

WILMINGTON TRUST, NATIONAL
ASSOCIATION,
as Trustee

By: _____
Authorized Officer

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Series 2020B Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer the same on the registration books maintained by the Authority with full power of substitution in the premises.

Dated: _____

Note: The signature(s) to this Assignment must correspond with the Registered Owner of the within Series 2020B Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: _____ Social Security Number, Taxpayer Identification Number or Other Identifying Number of Assignee: _____

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange, the National Association of Securities Dealers or a commercial bank or trust company.

EXHIBIT E
FORM OF OPERATING RESERVE FUND REQUEST

OPERATING RESERVE FUND
REQUEST NO. ____

This request is being delivered to Wilmington Trust, National Association, as trustee (the “Trustee”) under the Trust Indenture, dated as of December 1, 2020 (the “Indenture”) between the CSCDA Community Improvement Authority (the “Authority”) and the Trustee pursuant to Section 5.08 of the Indenture. The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

Pursuant to Section 5.08 of the Indenture, you are hereby authorized and directed to disburse from the Operating Reserve Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Operating Reserve Fund pursuant to Section 5.08(c) of the Indenture. The total amount to be disbursed pursuant to this request is \$____.

The Project Administrator hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Operating Reserve Fund, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Operating Reserve Fund or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto.

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Dated:

Standard Renaissance Administrator LLC
as Project Administrator

By: _____
Name: _____
Title: _____

APPROVED:

CSCDA COMMUNITY IMPROVEMENT
AUTHORITY

By: Bridge Strategic Partners LLC,
its Designated Agent

By: _____
Name: _____
Title: _____

APPENDIX I

Account:

Request No.:

<u>No.</u> <u>(#)</u>	<u>Payment</u> <u>To</u>	<u>Amount</u>	<u>Purpose</u>	<u>Address</u>	<u>Bank</u>	<u>Routing</u> <u>Number</u>	<u>Account</u>	<u>Memo</u>
1								
2								
3								
4								
5								
6								
7								
8								
Total:		\$_____						

EXHIBIT F

FORM OF EXTRAORDINARY EXPENSE FUND REQUEST

EXTRAORDINARY EXPENSE FUND
REQUEST NO. _____

This request is being delivered to Wilmington Trust, National Association, as trustee (the “Trustee”) under the Trust Indenture, dated as of December 1, 2020 (the “Indenture”) between the CSCDA Community Improvement Authority (the “Authority”) and the Trustee pursuant to Section 5.17(c) of the Indenture. The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

Pursuant to Section 5.13 of the Indenture, you are hereby authorized and directed to disburse from the Extraordinary Expense Fund the sum of \$_____. Such amount shall be paid to the Authority within three (3) Business Days of your receipt of this Request.

The Authority hereby certifies that such amount will be used to pay, or to reimburse the Authority for payment of, Extraordinary Costs and Expenses.

Dated:

CSCDA COMMUNITY IMPROVEMENT
AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT G

FORM OF PROJECT ACQUISITION ACCOUNT REQUEST

PROJECT ACQUISITION ACCOUNT

REQUEST NO. _____

This request is being delivered to Wilmington Trust, National Association, as trustee (the “Trustee”) under the Trust Indenture, dated as of December 1, 2020 (the “Indenture”) between the CSCDA Community Improvement Authority (the “Authority”) and the Trustee pursuant to Section 5.03 of the Indenture. The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

Pursuant to Section 5.03 of the Indenture, you are hereby authorized and directed to disburse from the Project Acquisition Account the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Project Acquisition Account under Section 5.03 of the Indenture. The total amount to be disbursed pursuant to this Request from the Project Acquisition Account is \$_____.

The Project Administrator hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Project Acquisition Account, (3) no part of any such amounts shall be applied to any item which has been previously paid from the Project Acquisition Account or any other Fund or Account, (4) all conditions precedent to such disbursements have been complied with and satisfied and (5) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto.

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Dated: _____

Standard Renaissance Administrator LLC

By: _____

Name: _____

Title: _____

APPROVED:

CSCDA COMMUNITY IMPROVEMENT
AUTHORITY

By: Bridge Strategic Partners LLC,
its Designated Agent

By: _____

Name: _____

Title: _____

APPENDIX I

Account:

Request No.:

<u>No.</u> <u>(#)</u>	<u>Payment</u> <u>To</u>	<u>Amount</u>	<u>Purpose</u>	<u>Address</u>	<u>Bank</u>	<u>Routing</u> <u>Number</u>	<u>Account</u>	<u>Memo</u>
1								
2								
3								
4								
5								
6								
7								
8								
Total:		\$_____						

EXHIBIT H

FORM OF DIRECTION TO WITHHOLD PREPAID RENTS

This direction is being delivered to Wilmington Trust, National Association, as Trustee (the "Trustee") under the Trust Indenture, dated as of December 1, 2020 (the "Indenture") between the CSCDA Community Improvement Authority (the "Authority") and the Trustee pursuant to Section 5.04 of the Indenture. The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture.

Pursuant to Section 5.04 of the Indenture, you are hereby authorized and directed to withhold \$ _____ in the Revenue Fund as moneys received for rents attributable to future months and to disburse such amount in the month immediately following receipt of this direction.

Dated: _____

Standard Renaissance Administrator LLC

By: _____
Name: _____
Title: _____

EXHIBIT I

FORM OF CAPITAL EXPENSE FUND REQUEST

CAPITAL EXPENSE FUND

REQUEST NO. _____

This request is being delivered to Wilmington Trust, National Association, as trustee (the "Trustee") under the Trust Indenture, dated as of December 1, 2020 (the "Indenture") between the CSCDA Community Improvement Authority (the "Authority") and the Trustee pursuant to Section 5.14. The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Project Administration Agreement.

Pursuant to Section 5.14 of the Indenture, you are hereby authorized and directed to disburse from the Capital Expense Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Capital Expense Fund under Section 5.14 of the Indenture. The total amount to be disbursed pursuant to this request from the Capital Expense Fund is \$[_____].

The Project Administrator hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Capital Expense Fund, (3) all conditions precedent to such [transfer/disbursement] have been complied with and satisfied and (4) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto.

Standard Renaissance Administrator LLC

By: _____

Name: _____

Title: _____

APPENDIX I

Account:

Request No.:

<u>No.</u> <u>(#)</u>	<u>Payment</u> <u>To</u>	<u>Amount</u>	<u>Purpose</u>	<u>Address</u>	<u>Bank</u>	<u>Routing</u> <u>Number</u>	<u>Account</u>	<u>Memo</u>
1								
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4								
5								
6								
7								
8								
Total:		\$_____						

EXHIBIT J

FORM OF INSURANCE AND TAX ESCROW FUND REQUEST

INSURANCE AND TAX ESCROW FUND

REQUEST NO. _____

This request is being delivered to Wilmington Trust, National Association, as Trustee (the "Trustee") under the Trust Indenture, dated as of December 1, 2020 (the "Indenture") between the CSCDA Community Improvement Authority (the "Authority") and the Trustee pursuant to Section 5.10. The Trustee is hereby directed to take the action described herein. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture or the Project Administration Agreement.

Pursuant to Section 5.10 of the Indenture, you are hereby authorized and directed to disburse from the Insurance and Tax Escrow Fund the amounts set forth in Appendix I attached hereto to the persons named therein in payment of expenditures permitted to be paid from the Insurance and Tax Escrow Fund under Section 5.10 of the Indenture. The total amount to be disbursed pursuant to this request from the Insurance and Tax Escrow Fund is \$[_____].

The Project Administrator hereby certifies that (1) the statements made herein are accurate, (2) each such amount constitutes a proper charge against the Insurance and Tax Escrow Fund, (3) all conditions precedent to such [transfer/disbursement] have been complied with and satisfied and (4) all consents, if any, required in connection with the submission hereof have been obtained and are attached hereto.

Standard Renaissance Administrator LLC

By: _____

Name: _____

Title: _____

APPENDIX I

Account:

Request No.:

<u>No.</u> <u>(#)</u>	<u>Payment</u> <u>To</u>	<u>Amount</u>	<u>Purpose</u>	<u>Address</u>	<u>Bank</u>	<u>Routing</u> <u>Number</u>	<u>Account</u>	<u>Memo</u>
1								
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3								
4								
5								
6								
7								
8								
Total:		\$_____						

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APPENDIX G

FORM OF BOND COUNSEL OPINION

_____, 2020

CSCDA Community Improvement Authority
Sacramento, California

CSCDA Community Improvement Authority
Essential Housing Revenue Bonds, Series 2020A (Renaissance at City Center) and
Subordinate Essential Housing Revenue Bonds, Series 2020B (Renaissance at City Center)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the CSCDA Community Improvement Authority (the “Authority”) in connection with the issuance of \$67,675,000 aggregate principal amount of CSCDA Community Improvement Authority Essential Housing Revenue Bonds, Series 2020A (Renaissance at City Center) (the “Series 2020A Bonds”) and \$3,000,000 aggregate principal amount of CSCDA Community Improvement Authority Subordinate Essential Housing Revenue Bonds, Series 2020B (Renaissance at City Center) (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”) issued pursuant to a Trust Indenture, dated as of December 1, 2020 (the “Indenture”), between the Authority and Wilmington Trust, National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate of the Authority, dated the date hereof (the “Tax Certificate”), the Regulatory Agreement, opinions of counsel to the Trustee, the Project Administrator and others, certificates of the Authority, the Trustee and others, and such other documents and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. We disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents,

and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2020 Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Series 2020 Bonds, the Indenture, the Tax Certificate and the Regulatory Agreement and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against joint exercise of powers agencies in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Limited Offering Memorandum or other offering material relating to the Series 2020 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2020 Bonds constitute the valid and binding limited obligations of the Authority.
2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Authority. To secure the payment of the principal of and interest on the Series 2020A Bonds and, subject to the priority of the Series 2020A Bonds, to secure the payment of the principal of and interest on the Series 2020B Bonds, the Indenture creates a valid pledge of the Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund, the Extraordinary Expense Fund and any subaccounts in the Project Fund otherwise pledged, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
3. The Regulatory has been duly executed and delivered by, and constitutes the valid and binding agreement of, the Authority.

4. Interest on the Series 2020 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Series 2020 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2020 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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APPENDIX H

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$67,675,000

**CSCDA COMMUNITY IMPROVEMENT AUTHORITY
Essential Housing Revenue Bonds,
(Renaissance at City Center) Series 2020A**

This Continuing Disclosure Agreement, dated as of December 1, 2020 (this “Continuing Disclosure Agreement”), is executed and delivered by the CSCDA Community Improvement Authority, a joint exercise of powers authority and public entity organized and existing under the laws of the State of California (the “Authority”), and BLX Group LLC, as dissemination agent (the “Dissemination Agent”). The above-captioned bonds (the “Bonds”) are being issued pursuant to a Trust Indenture, dated as of December 1, 2020 (the “Indenture”), between the Authority and Wilmington Trust, National Association (the “Trustee”). Pursuant to the Indenture, the Dissemination Agent and the Authority covenant and agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the holders of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The Authority and the Dissemination Agent have agreed to make certain continuing disclosure undertakings for the benefit of the holders of the Bonds.

Section 2. Definitions. In addition to the definitions set forth in the Indenture and Master Glossary of Terms, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean the financial information or operating data with respect to the Authority delivered at least annually of the type described in Sections 3(b) and 4(b) of this Continuing Disclosure Agreement.

“*Audited Financial Statements*” means, the audited financial statements prepared in accordance with generally accepted accounting principles consistently applied, as in effect from time to time, audited by a firm of certified public accountants. Such Audited Financial Statements of the Project shall also contain (i) a calculation of the Debt Service Coverage Ratio for the Bonds, (ii) a calculation of Excess Revenues, if any, for such Fiscal Year and (iii) a statement of the balances in each of the Funds and Accounts established under the Indenture.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Disclosure Representative*” shall mean Standard Renaissance Administrator LLC, a Delaware limited liability company, its successors and assigns, or its designee, or such other person as the Authority shall designate in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” shall mean BLX Group LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Trustee a written acceptance of such designation.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Continuing Disclosure Agreement.

“*MSRB*” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, and its successors and assigns.

“*Quarterly Report*” means any Quarterly Report provided by the Authority pursuant to Sections 3(a) and 4(a) of this Continuing Disclosure Agreement.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Quarterly and Annual Reports; Other Reporting Requirements.

So long as any Bonds are outstanding:

(a) The Authority shall, or shall cause the Disclosure Representative to cause the Dissemination Agent to provide to the Trustee and the MSRB, not later than 45 days after completion of each fiscal quarter of the Authority’s Fiscal Year, beginning with the fiscal quarter ending June 30, 2021, a Quarterly Report.

(b) The Authority shall, or shall cause the Dissemination Agent to, not later than 210 days following the end of the Authority’s Fiscal Year, commencing with the Fiscal Year ending on June 30, 2022, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Authority will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the Audited Financial Statements for the prior Fiscal Year of the Authority may be submitted separately from the balance of the Annual Report.

(c) If by 15 Business Days prior to the date specified in subsection (b) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Authority is in compliance with subsection (a).

(d) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(e) The Dissemination Agent will file a report with the Authority, the Disclosure Representative and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Reports.

(a) The Quarterly Report of the Authority shall contain or include by reference the following information:

(i) financial and operating statements of the Project, presented in trailing twelve (12) month format, certified by the Disclosure Representative and containing the total amount of Bonds outstanding as of the end of such fiscal quarter, itemized information regarding all items of expense and income, and occupancy reports, a rent roll and other reports such as reports on concessions, security deposits and advance rents;

(ii) a certificate signed by the Disclosure Representative stating that, except as disclosed in such certificate that no Event of Default (as defined in the Bond Documents) has occurred or exists, or an event which with the passage of time or giving of notice provided in the Indenture would constitute an Event of Default.

(b) The Annual Report of the Authority shall be accompanied by a cover page in substantially the form attached as Exhibit A hereto and contain or include by reference the following information:

(i) (1) Audited Financial Statements prepared by and about the Authority, on a consolidated basis, and (2) Audited Financial Statements for the Project supplied to the Authority by the Disclosure Representative, including a balance sheet and related statements of income and changes in financial position as of the end of such Fiscal Year and for such Fiscal Year, which shall be prepared and reported on without qualification by an independent certified public accountant in accordance with GAAP, and shall fairly present the financial condition of the Authority and the Project, as applicable, as of the end of such Fiscal Year. If Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available;

(ii) a certificate signed by the Disclosure Representative stating that no Event of Default has occurred or exists, except as disclosed in such certificate, or an event which with the passage of time or giving of notice provided in the Indenture would constitute an Event of Default; and

(iii) an occupancy report, supplied to the Authority by the Disclosure Representative, stating each lease of all or any part of the Project in effect as of the last day of the month prior to the date of delivery thereof, and including the breakdown of (1) units by each income restriction category pursuant to the Regulatory Agreement, (2) market rate units, (3) other units to the extent tenant income is unknown at that time and (4) commercial leases.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Authority is an “Obligated Person” (as defined by the Rule), which have been filed with the MSRB. If the document included by reference is a final limited offering memorandum, it must be available from the MSRB. The Authority will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format (“PDF”) or other acceptable electronic form.

Section 5. Reporting of Listed Events. (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Listed Event”):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Authority. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Authority in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority;

(xiii) Consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) Incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties.

For purposes of clauses (xv) and (xvi) of this Section 5(a), “financial obligation” is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the “Adopting Release”).

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by facsimile transmission, electronic mail, or overnight delivery service and confirmed by telephone). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above without the Dissemination Agent having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xvi) above without the Dissemination Agent’s having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

(c) Whenever the Authority obtains knowledge of the occurrence of a potential Listed Event, the Authority shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsections (d) below.

(d) If the Authority has determined that a Listed Event is required to be disclosed then the Authority shall prepare a written notice describing the Listed Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Authority to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Authority and the Disclosure Representative.

(f) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared pursuant to this Continuing Disclosure Agreement or for any failure to prepare such notice or report. The Dissemination Agent may resign at any time by providing at least 30 days' written notice to the Authority and such resignation shall be effective as of the date of appointment of a replacement Dissemination Agent.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Authority and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Authority unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under "Provision of Quarterly and Annual Reports; Other Reporting Requirements," "Content Reports" or paragraph (a) under "Reporting of Listed Events," it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Authority will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(f) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Authority or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, and such failure to comply continues beyond a period of thirty (30) days following written notice to the Authority, the Authority or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Authority or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Authority or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Authority shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Authority has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination

Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Authority and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Authority's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Authority has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Authority at all times.

The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Authority.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Continuing Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

Section 11. Notices. All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

If to the Authority:

CSCDA Community Improvement Authority
c/o Bridge Strategic Partners LLC
1700 North Broadway, Suite 405
Walnut Creek, CA 94596
Attention: Jon Penkower
Email: jpenkower@cscda.org

If to the Dissemination Agent:

BLX Group LLC
777 South Figueroa Street, Suite 3200
Los Angeles, CA 90017
Attention: Craig Underwood
Email: cunderwood@blxgroup.com

If to the Disclosure Representative:

Standard Renaissance Administrator LLC
1901 Avenue of the Stars, Suite 395
Los Angeles, CA 90067
Attention: Jeffrey Jaeger and Brad Martinson
Email: jjjaeger@standard-companies.com and
bmartinson@standard-companies.com

Section 12. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of California.

Section 13. Termination of this Continuing Disclosure Agreement. The Authority or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Authority's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in a filing with the MSRB.

Section 14. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

**CSCDA COMMUNITY IMPROVEMENT
AUTHORITY**

By: _____
Name: _____
Authorized Signatory

[Signatures continue on following page]

[Dissemination Agent's Signature Page to Continuing Disclosure Agreement]

BLX GROUP LLC,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

COVER PAGE TO ANNUAL REPORT

\$67,675,000

**CSCDA Community Improvement Authority
Essential Housing Revenue Bonds,
(Renaissance at City Center) Series 2020A**

CUSIP: 126292 AA9

Annual report for the period ending June 30, _____

THE PROJECT

Name of the Project: Renaissance at City Center
Address: 21800 South Avalon Boulevard, Carson, CA 90745
Number of Units: 150

INFORMATION ON THE BONDS

Original principal amount of Bonds:
Outstanding principal amount of Bonds:

RESERVE FUND BALANCES

[LIST FUNDS]

[LIST CURRENT BALANCES]

OPERATING HISTORY OF THE PROJECT

In addition to the information required under Section 4(b) of the Continuing Disclosure Agreement, the tables set forth below offer a summary of the operating results of the Project for fiscal year ended June 30, _____, as derived from the Audited Financial Statements for the Project supplied to the Authority by the Disclosure Representative and the Authority's Audited Financial Statements [or unaudited financial statements].

Financial Results for Fiscal Year Ending June 30, _____

Revenues
Operating Expenses¹
Net Operating Income
Debt Service on the Bonds
Net Income (Loss)
Debt Service Coverage Ratio

¹ Excludes depreciation and other non-cash expenses.

Occupancy Results for Fiscal Year Ending June 30, _____

Physical Occupancy _____ %
Economic Occupancy¹ _____ %

¹ The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

EXHIBIT B

**NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: CSCDA Community Improvement Authority

Name of Issue: Essential Housing Revenue Bonds, (Renaissance at City Center) Series 2020A

CUSIP: 126292 AA9

Date of Issuance: December 22, 2020

NOTICE IS HEREBY GIVEN that the above-referenced Issuer (the “Authority”) has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Authority that it anticipates that Annual Report will be filed by _____.

DATED: _____

BLX GROUP LLC,
as Dissemination Agent

By: _____
Authorized Officer

cc: Authority

APPENDIX I

FINANCIAL PROJECTIONS AND UNDERLYING ASSUMPTIONS FOR THE FACILITIES

Certain statements included or incorporated by reference in this Limited Offering Memorandum (including but not limited to the statements contained in this Appendix I) constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Exchange Act of 1934, as amended and Section 27a of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words.

THERE CAN BE NO ASSURANCE THAT ANY OF THE ASSUMPTIONS OR PROJECTIONS IN THIS APPENDIX I WILL BE REALIZED. THE ACTUAL RESULTS ACHIEVED FROM OPERATIONS OF THE PROJECT WILL UNDOUBTEDLY VARY FROM THE PRO FORMA FINANCIAL PROJECTIONS AND SUCH VARIATIONS COULD BE MATERIAL.

Major Underlying Assumptions

For the purposes of these projections, the Authority has assumed:

- The interest rate on the Series 2020A bonds is assumed to be 5%.
- The interest rate on the Series 2020B bonds is assumed to be 10%.
- The investment rate on the Debt Service Reserve is assumed to be 1.49% and the investment rate on the Coverage Reserve is assumed to be 1.17%. Other funds and reserves held under the Indenture will be invested, but interest earnings on those funds have not been included in these projections.
- Annual Administrative Expenses (including but not limited to Trustee Fees, Dissemination Agent Fees, Authority Financial Advisor and Audit fees) are estimated to be \$29,750 for the term of the projection.
- The Authority’s Annual fee is assumed to be 0.15% of the par amount of Series A and Series B bonds which is estimated to be \$106,012.50 for the term of the projection.
- The Administration Fee to the Project Administrator is \$105,000 annually, increasing by 3% per year starting on January 1, 2022.
- Gross Rental Revenue for the residential units is based on the requirements of the regulatory agreement, the lesser of market rent or the maximum rent allowed under the regulatory agreement, and an assumed tenant mix.

- The physical vacancy rate for the residential rental units is assumed to be 5%.
- Other collection loss is assumed to be 5% until January 1, 2022, 4.25% from January 2022 until December 2022 and 3.57% thereafter.
- Due to the outbreak of COVID-19 and related disruption to the housing market, the following has been assumed related to the residential rental units:
 - No growth in market rents or maximum allowable rents until January 2022.
 - Rental concessions equal to 2.5% of Gross Potential Rent until January 2022, 2% rental concession from January 2022 to December 2022, 1% rental concessions from January 2023 to December 2023 and no rental concessions are assumed thereafter.
- Starting in January 2022 and thereafter, 3% growth in market rents and maximum allowable rents is assumed.
- Gross Rental Revenue for the Commercial space is based on current market rental rates and common area maintenance (“CAM”) charges.
 - No growth in market rents or CAM charges is assumed until January 2025, and thereafter, 1% growth in market rents and CAM charges is assumed.
 - Vacancy and collection loss for the commercial space is assumed at 50% until January 2022, 30% from January 2022 to December 2022, and 15% vacancy collection loss is assumed thereafter.
- Operating Expenses are assumed to grow at 3% annually starting in January 2022.
- The Management Fee is assumed to be 2.5% of Net Operating Income.
- The Capital Expense Requirement is \$290 per unit per year until December 2021 and thereafter is increased by 3% per year.
- The Project is assumed to be exempt from real estate taxes, but remains subject to certain annual direct assessments estimated to be equal to \$56,639 per year until December 2021 and thereafter is increased by 3% per year.
- **Assumptions Related to the Requirements under the Regulatory Agreement**
 - The project’s current in-place lease agreements will be honored through lease expiration, and no tenants will be displaced as a result of the transaction.
 - Vacant units will be leased exclusively to Low Income Tenants (80% AMI or below), Median Income Tenants (81% - 100% AMI), and Moderate Income Tenants (101% - 120% AMI) (collectively, “Qualified Tenants”)
 - It is assumed that 50% of the Tenants residing at the Property at the time of acquisition will be Qualified Tenants. The remaining tenants are assumed to have

incomes in excess of 120% of AMI (“Unqualified Tenant”). Tenant income certifications will be made upon lease renewals and the execution of new tenant leases.

- Upon lease expiration, tenants will choose to either vacate their units or renew their leases.
 - Vacated units will be leased exclusively to Qualified Tenants at the lesser of market rents or maximum allowable rents.
 - Tenants who renew their lease will be determined as either Qualified Tenants or Unqualified Tenants through an income certification under the Regulatory Agreement
 - Renewing Qualified Tenants will pay the lesser of: (1) applicable maximum allowable rents, (2) market rents or (3) an amount equal to a 4% increase of the rent under their expiring lease at the time.
 - Renewing Unqualified Tenants will not be displaced, but will pay current market rents.
- Once a tenant is determined to be a Qualified Tenant, at the next lease renewal and thereafter, renewing Qualified Tenants will pay the lesser of (1) applicable maximum allowable rents, (2) market rents or (3) an amount equal to a 4% increase of the rent under their expiring lease at the time
- The blended annual turnover rate is assumed to be 35%.
- The project is assumed to be comprised of 100% Qualified Tenants (at corresponding rents) by January 2025.
- See “THE FACILITIES AND PROJECT PARTICIPANTS – Leasing Restrictions.”

CSCDA Community Improvement Authority
Essential Housing Revenue Bonds
(Renaissance at City Center)
Series 2020

Operating Projection

Line		Fiscal year Ended						
		6/30/2045	6/30/2046	6/30/2047	6/30/2048	6/30/2049	6/30/2050	6/30/2051
INCOME								
1	Gross Rental Revenue-- Residential	\$ 9,544,833.23	\$ 9,831,178.23	\$ 10,126,113.58	\$ 10,429,896.99	\$ 10,742,793.90	\$ 11,065,077.71	\$ 11,397,030.04
2	Less Vacancy & Collection Loss	(817,992.21)	(842,531.97)	(867,807.93)	(893,842.17)	(920,657.44)	(948,277.16)	(976,725.47)
3	Less Concessions	-	-	-	-	-	-	-
4	Plus: Other Income	276,456.29	284,749.98	293,292.48	302,091.25	311,153.99	320,488.61	330,103.27
5	Plus: Utility Reimbursements	308,735.70	317,997.77	327,537.70	337,363.83	347,484.75	357,909.29	368,646.57
6	Net Rental Income -- Residential	\$ 9,312,033.01	\$ 9,591,394.00	\$ 9,879,135.82	\$ 10,175,509.90	\$ 10,480,775.19	\$ 10,795,198.45	\$ 11,119,054.40
7								
8								
9	Gross Rental Revenue -- Retail	\$ 477,155.96	\$ 481,927.52	\$ 486,746.79	\$ 491,614.26	\$ 496,530.40	\$ 501,495.70	\$ 506,510.66
10	Less Vacancy & Collection Loss	(71,573.39)	(72,289.13)	(73,012.02)	(73,742.14)	(74,479.56)	(75,224.36)	(75,976.60)
11	Total Gross Potential Rent-- Retail	\$ 405,582.56	\$ 409,638.39	\$ 413,734.77	\$ 417,872.12	\$ 422,050.84	\$ 426,271.35	\$ 430,534.06
12								
13								
14	Effective Gross Income	\$ 9,717,615.57	\$ 10,001,032.39	\$ 10,292,870.59	\$ 10,593,382.02	\$ 10,902,826.03	\$ 11,221,469.80	\$ 11,549,588.46
15								
16								
17	EXPENSES							
18	General Administrative	\$ 122,719.44	\$ 126,401.03	\$ 130,193.06	\$ 134,098.85	\$ 138,121.82	\$ 142,265.47	\$ 146,533.43
19	Marketing	110,157.44	113,462.16	116,866.03	120,372.01	123,983.17	127,702.66	131,533.74
20	Turnover	120,191.42	123,797.16	127,511.08	131,336.41	135,276.50	139,334.80	143,514.84
21	Repairs and Maintenance	150,239.27	154,746.45	159,388.84	164,170.51	169,095.63	174,168.49	179,393.55
22	Utilities	311,862.68	321,218.56	330,855.11	340,780.77	351,004.19	361,534.32	372,380.35
23	Payroll	591,840.57	609,595.79	627,883.66	646,720.17	666,121.78	686,105.43	706,688.60
24	Management Fee	242,940.39	250,025.81	257,321.76	264,834.55	272,570.65	280,536.74	288,739.71
25	Contracts	456,402.87	470,094.96	484,197.81	498,723.74	513,685.46	529,096.02	544,968.90
26	Real Estate Taxes & Assessments	113,458.70	116,862.46	120,368.33	123,979.38	127,698.76	131,529.72	135,475.62
27	Insurance	191,004.20	196,734.32	202,636.35	208,715.44	214,976.91	221,426.21	228,069.00
28	Sub-Total Expenses	\$ 2,410,816.98	\$ 2,482,938.70	\$ 2,557,222.04	\$ 2,633,731.83	\$ 2,712,534.85	\$ 2,793,699.87	\$ 2,877,297.73
29								
30	Capital Expense Requirement	87,138.78	89,752.94	92,445.53	95,218.90	98,075.46	101,017.73	104,048.26
31	Total Expenses	\$ 2,497,955.76	\$ 2,572,691.64	\$ 2,649,667.57	\$ 2,728,950.73	\$ 2,810,610.32	\$ 2,894,717.60	\$ 2,981,345.99
32								
33	Net Operating Income	\$ 7,219,659.82	\$ 7,428,340.75	\$ 7,643,203.02	\$ 7,864,431.29	\$ 8,092,215.72	\$ 8,326,752.20	\$ 8,568,242.47
34								
35								
36	Other Expenses							
37	Other Administrative Expenses	\$ 29,750.00	\$ 29,750.00	\$ 29,750.00	\$ 29,750.00	\$ 29,750.00	\$ 29,750.00	\$ 29,750.00
38	Agency Monitoring Fee	106,012.50	106,012.50	106,012.50	106,012.50	106,012.50	106,012.50	106,012.50
39	Project Administrator Fee	210,334.98	216,645.03	223,144.38	229,838.71	236,733.88	243,835.89	251,150.97
40	Total Other Expenses	\$ 346,097.48	\$ 352,407.53	\$ 358,906.88	\$ 365,601.21	\$ 372,496.38	\$ 379,598.39	\$ 386,913.47
41								
42	Net Cash Flow	\$ 6,873,562.33	\$ 7,075,933.22	\$ 7,284,296.14	\$ 7,498,830.07	\$ 7,719,719.34	\$ 7,947,153.81	\$ 8,181,329.00
43								
44	Trailing Excess NOI	2,830.19	435.40	4,411.49	-	-	-	-
45	Capitalized Interest	-	-	-	-	-	-	-
46	Release of Reserves	-	-	3,383,750.00	-	-	-	-
47	Investment Earnings	50,417.88	50,417.88	50,417.88	-	-	-	-
48	Net Cash Flow	\$ 6,926,810.40	\$ 7,126,786.49	\$ 10,722,875.50	\$ 7,498,830.07	\$ 7,719,719.34	\$ 7,947,153.81	\$ 8,181,329.00
49								
50	Senior Bond Interest	966,375.00	677,375.00	363,625.00	-	-	-	-
51	Senior Bond DSC	7.16x	10.52x	20.17x	0.00x	0.00x	0.00x	0.00x
52	Alternate DSC for Reserve Release	7.16x	10.52x	20.17x	0.00x	0.00x	0.00x	0.00x
53								
54	Subordinate Bond Interest	300,000.00	300,000.00	300,000.00	114,201.86	-	-	-
55	Sub Bond DSC	5.47x	7.29x	11.05x	65.66x	0.00x	0.00x	0.00x
56								
57	Excess NOI	5,660,435.40	6,149,411.49	10,059,250.50	7,384,628.22	7,719,719.34	7,947,153.81	8,181,329.00
58								
59	Senior Bond Principal	5,660,000.00	6,145,000.00	8,920,000.00	-	-	-	-
60	Senior Bonds Outstanding	15,065,000.00	8,920,000.00	-	-	-	-	-
61								
62	Subordinate Bond Principal & Unpaid Interest	-	-	1,139,250.50	2,284,037.12	-	-	-
63	Sub Bonds Outstanding	3,000,000.00	3,000,000.00	2,284,037.12	-	-	-	-
64	Unpaid Accrued Interest	-	-	-	-	-	-	-
65	Cumulative Unpaid Accrued Interest	423,287.62	423,287.62	-	-	-	-	-

APPENDIX J

FORM OF INVESTOR LETTER

CSCDA Community Improvement Authority
Walnut Creek, California

Wilmington Trust, National Association
Costa Mesa, California

Stifel, Nicolaus & Company, Incorporated
Bellevue, Washington

Re: CSCDA Community Improvement Authority Essential Housing Revenue Bonds,
(Renaissance at City Center) Series 2020A (the “*Bonds*”)

Ladies and Gentlemen:

The Bonds are being issued and secured pursuant to the Trust Indenture dated as of December 1, 2020 (the “*Indenture*”) between the CSCDA Community Improvement Authority (the “*Authority*”) and Wilmington Trust, National Association (the “*Trustee*”). The Bonds are being sold by the Authority to Stifel, Nicolaus & Company, Incorporated (the “*Underwriter*”), as underwriter, pursuant to a bond purchase agreement dated December 15, 2020. Capitalized terms used herein shall have the meanings given to them in the Indenture.

The undersigned, on behalf of [Name of Purchaser] as purchaser of that portion of the above-captioned Bonds as set forth opposite its signature hereto (the “*Purchaser*”), in connection with its purchase of the Bonds, hereby makes the following representations and warranties upon which you are authorized to rely:

1. The Purchaser has been informed that the Authority will not sell or permit any Bonds to be sold to the Purchaser unless the Purchaser makes the representations, warranties and covenants herein and authorizes the Authority and the Trustee to rely thereon and such representations, warranties and covenants are made by the Purchaser AS AN INDUCEMENT to the issuance and sale of the Bonds.

2. The Purchaser understands that the Bonds have not been registered under the Securities Act of 1933, as amended (the “*1933 Act*”), or the securities laws of any state, and will be sold to the Purchaser in reliance upon certain exemptions from registration and in reliance upon the representations and warranties of the Purchaser as set forth herein.

3. The Purchaser has sufficient knowledge and experience in business and financial matters in general, and the purchase of bonds such as the Bonds in particular, and is capable of evaluating the merits and risks involved in a purchase of the Bonds. The Purchaser is able to bear the economic risk of, and an entire loss of, a purchase of the Bonds and understands that it may be required to bear the risks of an investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible. The Purchaser is acquiring the Bonds for its own account for

investment purposes and not with a view to the resale or other distribution thereof; provided, however, the Purchaser retains the right to sell or otherwise distribute the Bonds at its discretion.

4. The Purchaser acknowledges that it has been provided a copy of the Limited Offering Memorandum dated December 15, 2020 (the "*Limited Offering Memorandum*") with respect to the Bonds, and that it has either been supplied with or been given access to information, including financial statements and other financial information, and the Purchaser has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Project, the Bonds and the security therefor so that the Purchaser has been able to make its decision to purchase the Bonds.

5. The Purchaser acknowledges and understands that a purchase of the Bonds involves a high degree of risk regarding, among other things, the payment of current interest and the payment of principal on the Bonds. The Purchaser has made its own inquiry and analysis with respect to the Bonds and the security therefor, and other material factors affecting the security and payment of the Bonds.

6. The Purchaser has authority to purchase the Bonds and to execute this letter in connection with the purchase of the Bonds.

7. The Purchaser understands and acknowledges that (i) under no circumstances shall the Bonds and the interest thereon be or become an indebtedness or obligation of the State of California (the "State"), within the purview of any constitutional or statutory limitation or provision, or a charge against the credit of, or a pledge of the taxing power of, the State or any political subdivision thereof, (ii) the Bonds shall be limited obligations of the Authority, and no taxes are required to be levied for the payment of principal of, premium, if any, and interest on the Bonds; such principal of, premium, if any, and interest on the Bonds being payable solely out of the Trust Estate pledged to the security of the Bonds, subject to provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture and (iii) the Authority does not have the power to levy taxes for any purpose whatsoever, including, but not limited to, payment of principal of, premium, if any, and interest on the Bonds. The Purchaser also acknowledges that the Bonds do not represent general obligations of the Authority, the State or any political subdivision or agency thereof.

8. The Purchaser acknowledges and understands that the Bonds: (i) have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange, (iii) will carry no rating from any rating service, and (iv) may not be readily marketable.

9. The Purchaser is purchasing the Bonds solely for its own account (or an account of an affiliate) for investment purposes and has no present intention to resell or distribute all or any portion of, or interest in, the Bonds other than to an affiliate of the Purchaser; provided that the Purchaser reserves the right to transfer or dispose of the Bonds at any time, and from time to time, in its complete and sole discretion, subject, however, to the restrictions described in paragraphs 10 and 11 of this letter. Under no circumstances will the Bonds (or any portion thereof) become part of a securitization whereby beneficial interests in the Bonds are offered and sold to downstream investors as a separate security.

10. The Purchaser is a Qualified Institutional Buyer within the meaning of Rule 144A of the Securities and Exchange Commission under the 1933 Act or an Institutional Accredited Investor as described in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the 1933 Act.

11. The Purchaser agrees that it will only offer, sell, pledge, transfer or exchange the Bonds (or any legal or beneficial interest therein) (i) in Authorized Denominations, (ii) to a Qualified Institutional Buyer or an Institutional Accredited Investor, (iii) in compliance with the Indenture; (iv) in accordance with an applicable exemption from the registration requirements of Section 5 of the 1933 Act, and (v) in accordance with any applicable Federal and state securities laws. Notwithstanding the foregoing, any affiliate of the Purchaser which holds the Bonds shall comply with the terms of Paragraph 10 and this Paragraph 11 as a transferee of Bonds and in connection with any subsequent transfer of the Bonds.

12. No party other than the addressees hereto is entitled to rely on the representations and acknowledgements contained in this letter. Without limiting the generality of the foregoing, nothing in this letter will be deemed to relieve any party of its obligations under any federal or state securities laws.

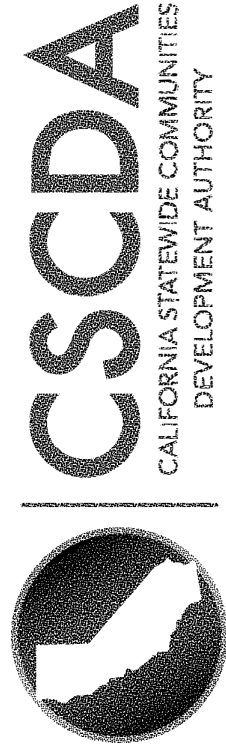
\$ _____
Amount of Bonds Purchased

Sincerely,

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

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