



Housing Authority of the City of Alameda

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September __, 2021

Mary Dorst
Senior Asset Manager
Resources for Community Development
2200 Oxford Street
Berkeley, CA 94704

RE: Breakers and Bayport, L.P. (the "**Partnership**") - Limited Partner Exit and Substitution
Breakers and Bayport- 459 Neptune Gardens Ave (the "**Project**")
Community Improvement Commission of the City of Alameda Loan

Dear Ms. Dorst:

The Housing Authority of the City of Alameda (the "**Authority**"), the Housing Successor Agency to the Community Improvement Commission of the City of Alameda, as successor to the Community Improvement Commission of the City of Alameda, as lender of that certain "**CIC Loan**" in the amount of \$1,400,000 to the Partnership and evidenced by that certain Promissory Note dated January 5, 2004 (the "**Note**"), the Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing made as of January 5, 2004 and recorded in the official records of Alameda County as instrument number 04-461948, and the Affordable Housing Covenant made as of October 14, 2004 and recorded in the official records of Alameda County as instrument number 04-461947 (collectively, the "**Loan Documents**"), hereby consents to the transfer of the limited partner interest from the exiting investor in Breakers at Bayport, L.P. to the substitute limited partner, 112 Alves Lane, Inc., a wholly controlled affiliate of Resources for Community Development with an effective date of September 30, 2021 (the "**Transfer**"), subject to the Partnership agreeing to the following terms and conditions which shall be incorporated into the Note":

1. The Partnership shall provide the Authority with no less than [3 months] prior written notice of any refinancing, restructuring, resyndication, loan prepayment, intent to market or sell or any other material financing or disposition regarding the Project.
2. Upon written request from the Authority (but not more often than once every 5 years), the Partnership shall obtain a capital needs assessment for the Project.
3. The Partnership shall notify the Authority in writing within 5 business days of the occurrence of any of the following:
 - a. Casualty (whether to individuals or property) or other event that gives rise

- to an insurance claim;
 - b. Condemnation;
 - c. Any unit that is or becomes uninhabitable, or is not occupied and left vacant for more than 30 days;
 - d. Any crimes occurs at the Project;
 - e. Any death occurs at the Project;
 - f. Any eviction (or commencement thereof) of any tenant of the Project;
 - g. Any lawsuit is filed by or against the Partnership;
 - h. Any material non-compliance or default under any other loan or source of funding to the Partnership or any material regulatory agreement or other agreement binding upon the Partnership or Project;
 - i. Any event that occurs that would reasonable expected to result in negative public reputation or news with respect to any of the Authority, the Project or the Partnership; and
 - j. The Partnership receives written notice of any of the foregoing.
4. As soon as available and in any event not later than ninety (90) days after the end of each fiscal year of the Partnership, the Partnership shall provide the Authority with the following:
- a. The audited financial statements of the Partnership, as of the end of such year, including balance sheet, statement of changes in capital accounts, statement of sources and uses of funds, statements summarizing number of tenants served and the cost of such services, with the report of the Accountants thereon stating that an audit of such financial statements has been made in accordance with generally accepted auditing standards, stating the opinion of the Partnership accountants in respect of the financial statements and the accounting principles and practices reflected therein and as to the consistency of the application of the accounting principles, and identifying any matters to which the Partnership accountants take exception, and stating, to the extent practicable, the effect of each such exception of such financial statements.
 - b. A detailed statement of uses of net cash flow or residual receipts and any transactions between the Partnership and its general partner or any of its affiliates, and of fees, commissions, compensation and other benefits paid, or accrued, to its general partner or any of its affiliates for the prior fiscal year of the Partnership, showing the amount paid or accrued to each recipient and a general indication of the services performed/
 - c. A management report on the Project containing such information as is reasonably necessary to advise the Housing Authority about the development or operation of the Project, including follow-up information regarding the events described in item 3 above.
 - d. Such other information and reports reasonably requested by the Authority.
5. Annually by no later than November 1, the Partnership shall provide the Authority with the annual operating budget (including, without limitation, any planned capital improvements and draws from reserves) for the following fiscal year.
6. The Partnership shall have the right, upon 48 hours written notice, to inspect the Project, subject to tenants' rights.

7. The Partnership shall reimburse the Authority for all reasonable costs and expenses (including legal fees) incurred by the Authority in connection with the CIC Loan.
8. The Partnership acknowledges that the foregoing items 1 through 7 are solely for the benefit of the Authority, and do not create any obligation under the Loan Documents binding upon the Authority. Compliance with such foregoing items 1 through 7 shall not serve to waive any other obligations of the Partnership under the Loan Documents.

The Authority, in its capacity as landlord under that certain Ground Lease Agreement entered into as of March 14, 2003, between the Authority and the Partnership, as tenant, hereby consents to the Transfer.

We look forward to continued collaboration with RCD to support Breakers at Bayport, L.P. in the future.

Should you have questions or concerns, please feel free to contact us.

Sincerely,

Vanessa Cooper
Executive Director