

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: September 14, 2018

CAO File No. 0220-00540-1289

Council File No. 12-0049-S21

Council District: 8

To: The Mayor
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated August 6, 2018; Received by the City Administrative Officer on August 9, 2018; Additional information received through September 4, 2018

Subject: **SALE OF CITY-OWNED PROPERTY LOCATED AT 9513 SOUTH SPRING STREET**

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. Adopt Recommendations I and II of the Housing and Community Investment Department (HCID) transmittal dated August 6, 2018 relative to the sale of the property located at 9513 South Spring Street (Property);
2. Adopt Recommendation III of the HCID transmittal dated August 6, 2018 subject to the review and approval of the City Attorney and the Office of the City Administrative Officer Risk Manager;
3. Adopt the sale ordinance attached to the City Attorney report dated September 13, 2018 relative to the sale of the Property, without notice of sale or advertisement of bids, to Habitat for Humanity of Greater Los Angeles (Habitat) for the sale price of \$159,000;
4. Instruct HCID with the assistance of the City Attorney to prepare the purchase and sale agreement based on the terms specified in the ordinance for the sale of the Property, subject to the conditions and criteria stated in the Term Sheet Agreement (Attachment 1), the City Acquisition Loan Agreement (Attachment 2), and the City Grant and Covenant agreements attached to the HCID transmittal dated August 6, 2018; and,
5. Determine that the Property is best suited for the development of a single-family homeownership unit affordable to low and moderate income homebuyers; and,

6. Authorize the General Manager, HCID, or designee, to prepare Controller instructions and make any necessary technical adjustments consistent with the Mayor and Council action in this matter, subject to the approval of the City Administrative Officer, and request the Controller to implement these instructions.

SUMMARY

The Housing and Community Investment Department (HCID) requests authority to sell the City owned property located at 9513 South Spring Street (Property) at the fair reuse value to Habitat for Humanity (Habitat) to facilitate the development of an affordable homeownership property. The Property was transferred to HCID as a housing asset from the former Community Redevelopment Agency of Los Angeles. Habitat was selected to develop the Property as a result of a competitive selection process conducted by HCID in 2017 (C.F. 12-0049-S10 and 12-0049-S11). If the recommendations of this report are approved, HCID would sell the property to Habitat for the fair reuse value of \$159,000. This amount is consistent with Section 7.27.3 of the Los Angeles Administrative Code which allows for the private sale of property below fair market value to facilitate the development of affordable housing in the City.

The proposed loan agreement (Attachment 2) includes a \$48,000 grant representing the difference between the fair market value and the fair reuse value, which will only be paid if Habitat breaches the loan agreement. The HCID also requests authority for Habitat to access the property prior to the conveyance of the property to conduct site work in advance of volunteer efforts related to World Habitat Day. The request for early access to the Property prior to conveyance will require further review by the City Attorney and this Office's Risk Manager to ensure Habitat has adequate insurance coverage and to resolve other legal issues which may preclude early access to the Property. Additional details on the Property and the proposed sale can be found in the HCID transmittals dated August 6, 2018 and August 20, 2018 (C.F. 12-0049-S21) and the City Attorney report attached to this report. This Office concurs with Recommendations I through III of the HCID transmittal dated August 6, 2018. Recommendations 2 through 5 of this report are included to reflect updated legal agreements, request approval of the sale ordinance, and additional authorities to effectuate the proposed sale of the Property.

FISCAL IMPACT STATEMENT

The sale of City-owned property located at 9513 South Spring Street, Wilmington, 90744 for the fair reuse value of \$159,000 will not have an impact on the General Fund.

FINDINGS

1. Public Interest

In accordance with LAAC Division 7, Chapter 1, Article 4 Section 7.27, the Council may determine that the sale of City-owned property is in the public interest or necessity. In this event, the Council may, by ordinance with a two-thirds vote, authorize the sale of City-owned property, without notice of sale or advertisement for bids, upon review and recommendation by the City Administrative Officer. The sale of the property is in the best interest of the City because it will eliminate costly maintenance of the City parcel and provide for the development of affordable housing.

2. Terms of Sale

The following are the terms of sale as described in the Ordinance:

- The sale price is \$159,000, which is the agreed upon price between the City and the Buyer;
- The Property will be sold in "As Is" condition and without any warranty as to fitness for use, fitness for a particular use, or condition of the Property, and that the City has no obligation to correct any condition of the Property, whether known before or after the date of the sale;
- Subject to covenants, conditions, restrictions, encroachments, reservations, easements, rights, and rights-of-way of record or which are apparent from a visual inspection of the real property and excepting and reserving to the City any interest in the fee to the adjacent streets which would otherwise pass with the conveyance.

3. Property Description / Legal Description

The Property is located at 9513 South Spring Street, Los Angeles, CA 90003, with APN 6053-006-904. The Property is zoned RD1.5-1 and lies within Council District 8 and within the Southeast Los Angeles Community Plan. The legal description is included as Exhibit A to the City Acquisition Loan Agreement included as Attachment 2 to this report.

Attachments:

1. Term Sheet Agreement
2. City Acquisition Loan Agreement

RHL:NSC:02190028C

**9513 S. Spring Street
Acquisition Loan Agreement
Key Terms and Conditions**

1. Parties to the Agreement:

The City Acquisition Loan Agreement ("Acquisition Loan") for the 9513 S. Spring Street project shall be entered by and between the City of Los Angeles, a municipal corporation ("City"), and Habitat for Humanity of Greater Los Angeles ("Developer").

2. City Site Description:

The following parcel of land is currently owned by the City:

	Address	APN	Parcel Size (Sf)	Legal Description
City Site	9513 S. Spring Street Los Angeles, CA 90003	6053-006-904	5,010	Attachment A

3. City Site History:

The City Site ("Site") was acquired in 1994 by the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA), as a part of a larger purchase of land formerly occupied by the Broadway Hospital and parking area with Bunker Hill Housing Funds. The Site is located in Council District 8, and in the Broadway Manchester Recovery Redevelopment Project Area. On May 24, 2013, the Site was transferred to HCIDLA, the Redevelopment Successor Agency. The Site is currently vacant.

4. Development Plan Summary:

The Development Plan shall be implemented and completed as described below; subject to receipt by the Developer of approval by the City of all discretionary land use applications; and the receipt by Developer of the necessary enforceable financing commitments:

- a. Project Summary: The Spring Street Project will be developed as a for-sale property with one (1) three-bedroom single family home (SFH) and one (1) junior accessory dwelling unit (Junior ADU). In accordance with Government Code Section 65852.22, the three-bedroom SFH and the Junior ADU will be treated as one four-bedroom SFH.
- b. A 6 foot wooden fence will surround the property. The SFH will include a two-car garage. The Junior ADU will not have a parking space.
- c. Project Site Size: 5,010 Square Feet
- d. Gross Building Area: 2,100 sq. ft (1,149 sq. ft SFH living area, 457 sq. ft garage, and 494 sq. ft Junior ADU)
- e. Unit Mix: 1 SFH with three-bedroom/two full bath and 1 Junior ADU with one-bedroom/one full bath
- f. Parking: 2 spaces
- g. Target Population: Household earning no more than 110% of HCD's Area Median Income.
- h. Amenities: Both SFH and Junior ADU will include air conditioning unit, an oven, refrigerator, microwave, private backyard, and drought tolerant plants with smart irrigation. Renewable building materials and impervious concrete will be used when applicable. SFH will be Solar Power Ready. Garage will be EV plug in ready with 220 Volt Outlet installation.

5. Purchase and Sale of the City Site:

The City agrees to sell and convey to Developer and the Developer agrees to purchase and accept from the City, the fee interest in the City Site in accordance with the Acquisition Loan Agreement, and the Grant Deed.

6. Purchase Price for City Site:

The City agrees to convey the City Site to Developer and the Developer agrees to purchase the City Site for the Fair Reuse Value of the City Site base on the fair reuse analysis conducted by an HCIDLA ("Purchase Price"). The City agrees to convey the difference between the fair market value and fair reuse value as a land grant.

7. Developer Pro Forma:

Attached ("Attachment B") is the current Developer Pro Forma for the Project.

8. Project Site Plan:

Attached ("Attachment C") is the current Elevation and Site Plan for the Project.

9. Deferred Developer Fee:

The total deferred developer fee is estimated at \$18,910. Developer will collect Developer Fee upon sale of the property to a homebuyer.

10. Social Services to be Provided at Project:

No social services will be provided.

11. City Loan Terms

The City agrees to convey its acquisition loan ("City Acquisition Loan") to the Developer with the following terms:

- a. The City Acquisition Loan Amount will be equal to the Purchase Price of the City Site.
- b. The City Acquisition Loan will have a 0.0% simple interest rate applied.
- c. The City Acquisition Loan will include a City Land Regulatory Agreement (see Section 14) .
- d. Once the unit is sold to a qualified homebuyer ("Eligible Purchaser") the Acquisition Loan will be reconveyed into a second mortgage to be executed between the City and the Eligible Purchaser.
- e. The proceeds of the second mortgage will be used to repay the Acquisition Loan.
- f. The second mortgage terms include, but are not limited to:
 - i. Deferred payment
 - ii. 0% interest
 - iii. 30 years term
 - iv. The principal balance of the second mortgage, plus a shared appreciation component, will be due and payable upon the first resale of the property following the end of the 30-year covenant period.

12. Subordination:

The following summarizes the agreed upon subordination assumption for the City's loans:

Description	Subordination
City Acquisition Loan	Subordinated to Senior Mortgage Loan
City Second Mortgage Loan	Subordinated to Senior Mortgage Loan

13. Affordability Restrictions:

Units' income and affordability requirements will be restricted by the following 30-year, from re-conveyance of City Acquisition Loan to a Homebuyer's second mortgage, regulatory agreements as follows:

a. City Land Regulatory Agreement (per California Health & Safety Code):

Income Restriction	Low to Moderate Income HCD	\$50079.5, \$50093
Affordable Sales Price	35% x 110% AMI – 5 person household	\$50052.5
Unit Characteristics	1 – 3 Bedroom SFH + I Junior ADU	1 – 4 Bedroom Unit

- b. The affordability restrictions will end at the end of the 30-year covenant period. Each resale during this period must be made to a Low to Moderate Income household under the affordable sales price calculation defined in California Health and Safety Code Section 50052.5 using 110% of the HCD median income in the calculations.

14. Developer Financing Plan:

The following summarizes the Developer's Financing Plan for the Project:

Sources	Amount
Habitat for Humanity Equity	\$150,000
Construction Financing (Bank)	\$188,561
HCIDLA Acquisition Loan (Land Loan)	\$159,000
Deferred Developer Fee	\$18,910
Total	\$516,471

- a. HCIDLA will grant \$48,000 for the difference between the Fair Reuse Value and the Fair Market Value.

15. Buyer Financing Plan:

The following summarizes the Buyer's Financing Plan for the Project:

Sources	Amount
First Position Mortgage*	\$293,500
Homebuyer Funds (At least 1% of Sales Price)	\$5,250
WISH Funding (FHLBSF)	\$15,000
Habitat for Humanity Funding	\$67,250
City of Los Angeles Acquisition Loan	\$159,000
Total	\$540,000

*If the Eligible Purchaser's mortgage is less than the indicated First Position Mortgage amount, Habitat for Humanity will fill the financial gap with their soft loan.

16. Milestones:

The Developer agrees to proceed with the Project's development according to following dates:

Action	Date
Preliminary architectural review	March 2018 (completed)

Complete working drawings	March 2018 (completed)
City Acquisition Loan Execution	September 2018
City Land Conveyance	September 2018
Obtain building permits	September 2018
Begin construction	September 2018
Obtain Notice of Completion	March 2019
Sell Unit	May 2019

[Signatures on the next page]

17. Agreement of Key Terms and Conditions:

This agreement of key terms and conditions is not a contract nor is it a guarantee of a funding commitment by the City. It is a worksheet that will be utilized to prepare the Acquisition Loan Agreement and associated City contractual documents.

HCIDLA

City of Los Angeles Housing and Community Investment Department

By: _____ Date: _____
Sean L. Spear
Assistant General Manager

DEVELOPER

Habitat for Humanity of Greater Los Angeles

By: Erin Rank Date: 8/31/18
Erin Rank
President & CEO

Attachment A	City Parcel Legal Description
Attachment B	Developer Pro Forma
Attachment C	Site Plan

Attachment A -- Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 5 OF TRACT NO. 4055, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGE 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB SAID PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN DEED RECORDED NOVEMBER 6, 1992 AS INSTRUMENT NO. 92-2047803.

SPRING STREET

CONSTRUCTION SOURCES AND USES

SOURCES OF FUNDS	AMOUNT	INT RATE	TERM (Mo.)
Developer Equity	\$ 150,000.00		0
Developer Const. Financing	\$ 188,561.00		6
Deferred Developer Fee	\$ 18,910.00		
HCIDLA Acquisition Loan (Land)	\$ 159,000.00	0	
HCIDLA Grant	\$ 48,000.00	0	
TOTAL FUNDS	\$ 564,471.00		

excludes const.
financing interest
& contingency

USES OF FUNDS			
PREDEVELOPMENT	QTY	AMT PER	AMOUNT
Phase I Env Assessment	1	\$ 2,000.00	\$ 2,000.00
Survey	1	\$ 2,500.00	\$ 2,500.00
Arch, Structural, Landscape Design	1	\$ 14,561.00	\$ 14,561.00
TOTAL PREDEVELOPMENT		\$ 19,061.00	\$ 19,061.00
Land Acquisition	1	\$ 207,000.00	\$ 207,000.00
CONSTRUCTION	QTY	AMT PER	AMOUNT
Single Family Home			
Construction Team Labor	1	\$ 60,000.00	\$ 60,000.00
Construction Admin.	1	\$ 5,000.00	\$ 5,000.00
Carport	1	\$ 35,000.00	\$ 35,000.00
Accessories	1	\$ 1,500.00	\$ 1,500.00
Bathroom Finishes	1	\$ 1,500.00	\$ 1,500.00
Carpentry	1	\$ 30,900.00	\$ 30,900.00
Doors+Windows	1	\$ 4,950.00	\$ 4,950.00
Driveway, Curb and Sidewalk	1	\$ 22,500.00	\$ 22,500.00
Drywall	1	\$ 7,900.00	\$ 7,900.00
Electric Temp	1	\$ 900.00	\$ 900.00

Electrical	1	\$	6,050.00	\$	6,050.00
Fencing Temp	1	\$	900.00	\$	900.00
Fencing Perimeter	1	\$	3,950.00	\$	3,950.00
Fire Supression	1	\$	4,500.00	\$	4,500.00
Flooring Polish		\$	-	\$	-
Foundation	1	\$	14,500.00	\$	14,500.00
Grading	1	\$	3,500.00	\$	3,500.00
HVAC	1	\$	4,500.00	\$	4,500.00
Kitchens+Bath	1	\$	4,950.00	\$	4,950.00
Landscape	1	\$	4,500.00	\$	4,500.00
Meter Electric		\$	-	\$	-
Plumbing	1	\$	11,200.00	\$	11,200.00
PV System		\$	-	\$	-
Roofing	1	\$	12,000.00	\$	12,000.00
Siding	1	\$	8,800.00	\$	8,800.00
Skylights		\$	-	\$	-
Steel		\$	-	\$	-
Stormwater Mitigation System	1	\$	2,500.00	\$	2,500.00
SFH Construction Subtotal		\$	252,000.00	\$	252,000.00
ADU					
Carport		\$	-	\$	-
Accessories	1	\$	500.00	\$	500.00
Bathroom Finishes	1	\$	750.00	\$	750.00
Carpentry	1	\$	12,250.00	\$	12,250.00
Doors+Windows	1	\$	2,000.00	\$	2,000.00
Driveway, Curb and Sidewalk	1	\$	1,250.00	\$	1,250.00
Drywall	1	\$	2,750.00	\$	2,750.00
Electric Temp		\$	-	\$	-
Electrical	1	\$	2,000.00	\$	2,000.00
Fencing Temp		\$	-	\$	-
Fencing Perimeter	1	\$	2,000.00	\$	2,000.00
Fire Supression	1	\$	2,500.00	\$	2,500.00
Flooring Polish		\$	-	\$	-
Foundation	1	\$	6,000.00	\$	6,000.00
Grading	1	\$	500.00	\$	500.00
HVAC	1	\$	2,000.00	\$	2,000.00
Kitchens+Bath	1	\$	2,000.00	\$	2,000.00
Landscape	1	\$	2,000.00	\$	2,000.00
Meter Electric		\$	-	\$	-
Plumbing	1	\$	3,000.00	\$	3,000.00
PV System		\$	-	\$	-
Roofing	1	\$	2,500.00	\$	2,500.00

Siding	1	\$	2,000.00	\$	2,000.00
Skylights		\$	-	\$	-
Steel		\$	-	\$	-
Stormwater Mitigation System	1	\$	1,500.00	\$	1,500.00
ADU Construction Subtotal		\$	47,500.00	\$	47,500.00
CONSTRUCTION TOTAL		\$	299,500.00	\$	299,500.00
FEES	QTY		AMT PER		AMOUNT
Land Disposition Closing Costs	1	\$	-	\$	-
Fees-Plan Check/Inspection	1	\$	9,000.00	\$	9,000.00
Fees-Quimby		\$	-	\$	-
Fees-School Dist	1	\$	6,000.00	\$	6,000.00
Insurance-Builders Risk	1	\$	5,000.00	\$	5,000.00
Interest on Const Loan	1		\$8,357.14	\$	8,357.14
Deferred Developer Fee	1		\$18,910.00	\$	18,910.00
TOTAL FEES		\$	47,267.14	\$	47,267.14
TOTAL DEVELOPMENT COSTS					
excluding Const Loan Interest		\$	564,471.00	\$	564,471.00
TOTAL DEVELOPMENT COSTS					
with Const. Loan Interest		\$	572,828.14	\$	572,828.14
Contingency		\$	1,992.00	\$	1,992.00
Construction Contingency		\$	17,287.00	\$	17,287.00
TOTAL DEVELOPMENT COSTS					
WITH CONTNGENCY		\$	592,107.14	\$	592,107.14

DONATIONS					
Appliances - SFH	1	\$	2,000.00	\$	2,000.00
Appliances - ADU	1	\$	2,000.00	\$	2,000.00
Insulation - SFH	1	\$	1,000.00	\$	1,000.00
Insulation - ADU	1	\$	500.00	\$	500.00
Volunteer Labor	1	\$	20,000.00	\$	20,000.00
Total Donations		\$	25,500.00	\$	25,500.00

PROFIT

Sales Revenues	\$ 525,000.00
Commissions+Closing Costs ¹	\$ -
Total Sales Net Revenues	\$ 525,000.00
Total Construction Costs	\$ 365,828.14
Total Profit	\$ 159,171.86

Notes

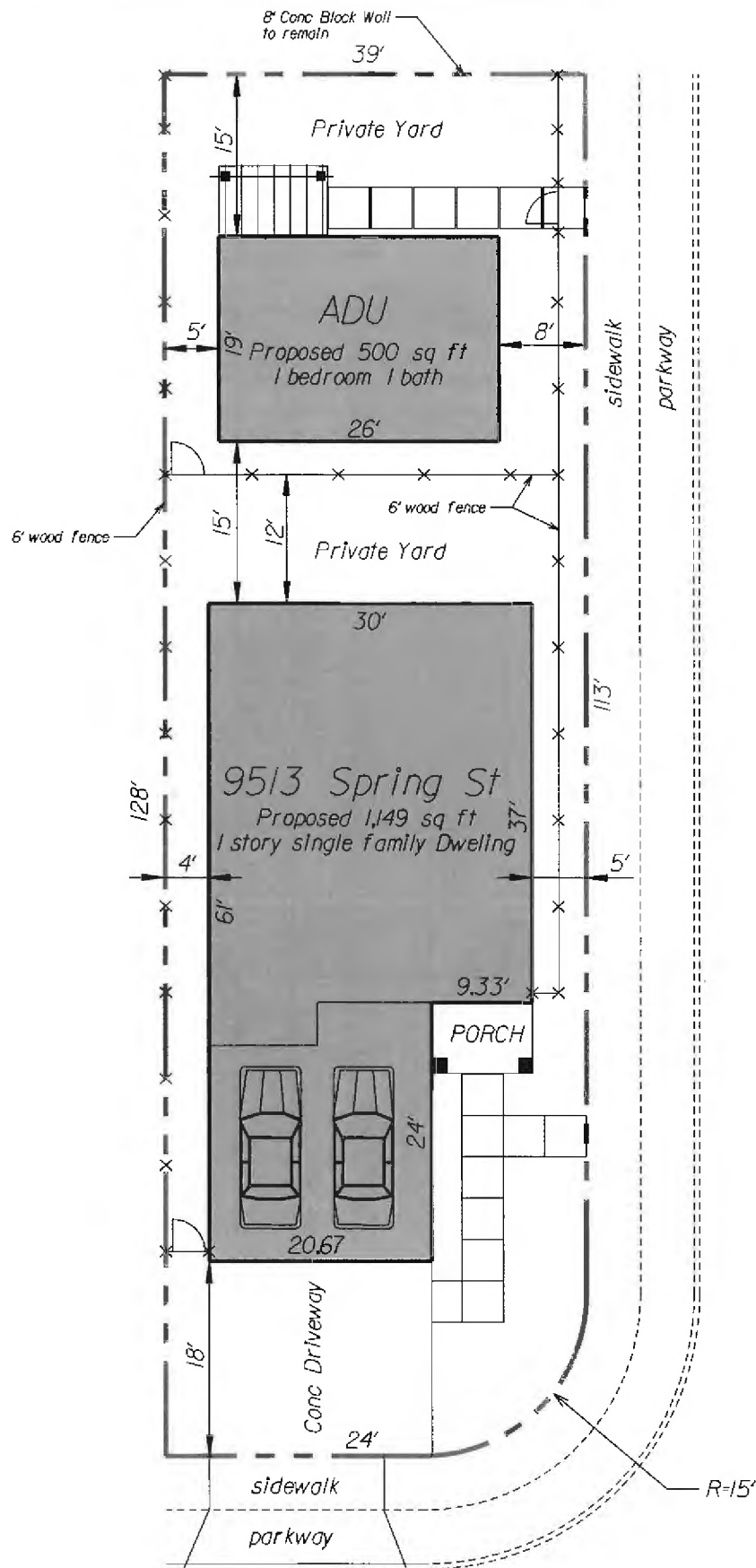
¹Developer will cover
commissions and closing costs.
No estimate given

SPRING STREET

SALE SOURCES AND USES

USES OF FUNDS	AMOUNT
Sale Price	\$ 525,000
Buyer's Estimated Closing Costs	\$ 15,000
Seller Credit (List as Negative)	\$ -
TOTAL COSTS	\$ 540,000

SOURCES OF FUNDS	AMOUNT	LIEN POSITION	TERMS	Notes
Homebuyer Funds (At least 1% of Sales Price)	\$5,250	Cash		
First Mortgage	\$292,700	1st	TBD - 4.5% 30 Yr Fixed	Per Family Selected
City of LA Acquisition Loan	\$159,000	2nd	City Terms	City Terms
Other funding Source (Specify): HFH	\$68,050	3rd	0% - Due upon Resale/Refi	
Other funding Source (Specify): WISH	\$15,000	4th	0% - Forgivable after 5 yrs	WISH funds to be used toward closing costs
Other funding Source (Specify):				
TOTAL FUNDS	\$540,000			
Shortfall/(Surplus)	\$0			



1" = 10'

Spring St

Colden

9513 SPRING STREET - SITE PLAN

**9513 Spring St.
Los Angeles 90003**

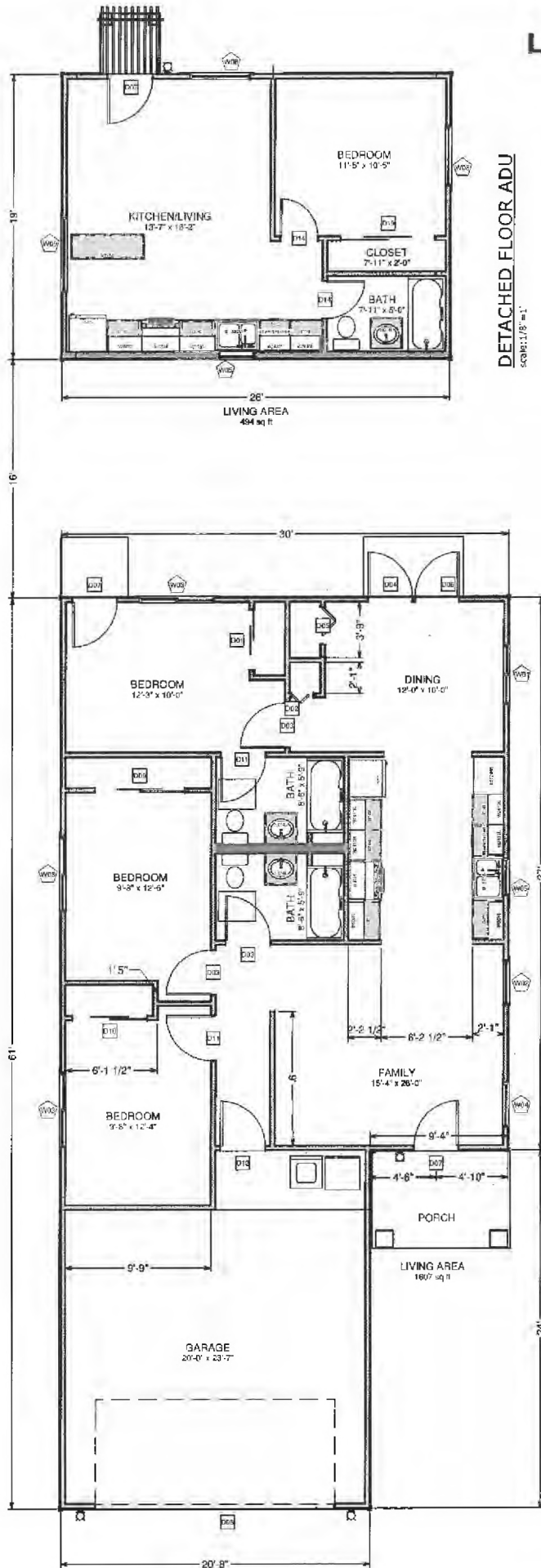
1,149 sq ft

3 bed / 2 Bath

Total sq ft including garage:

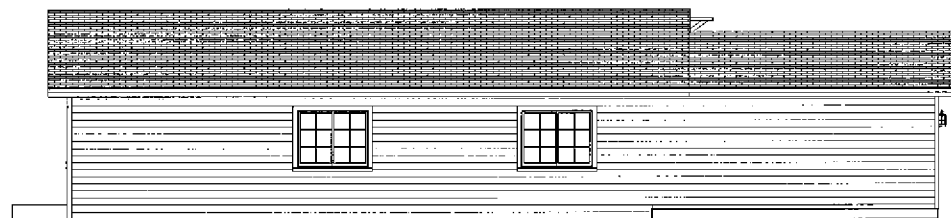
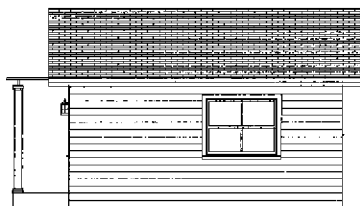
1,607 sq ft

DETACHED ADU: 494 sq ft





EAST FACE - DELTA HOUSE & DETACHED ADU



WEST FACE - DELTA HOUSE & DETACHED ADU

ELEVATIONS

Design/Build by:

8739 Artesia Blvd
Bellflower, CA 90706
Phone: (310) 821-7631
www.habitatla.org

Robert Dwelle, PE
rdwelle@habitatla.org

12/31/18

Job:

**Habitat for Humanity
Affordable Housing
9573 SPRING STREET
Los Angeles, CA 90003**

Consultants:

Survey/Mapping:
Anacal Engineering
Contact: Glen Owsiney
1360 E La Palma Ave, Suite 202
Anaheim, CA 92805
(714) 774-1763

Structural:
Tibco Engineering
Contact: Mark Brulim
3456 E Longridge Dr
Orange, CA 92667
(714) 553-2595

Soils:
Norcal Engineering
Contact: Scott Spensiero
19541 Munro Street
Los Alamitos, CA 90720
(562) 799-8468

Landscaping:
Northeast Trees
Contact: Theresa Russell
570 W Avenue 25 - No. 200
Los Angeles, CA 90025
(323) 441-8834

Date:

JUNE 20, 2017

Scale:

1/4" = 1'

Sheet Title:

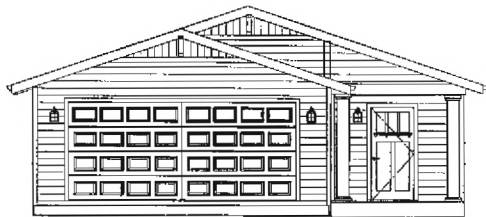
ELEVATIONS

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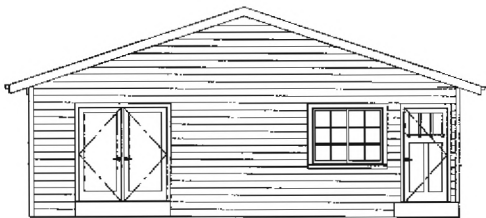
A-05

Revisions:

No	Description	Date



SOUTH FACE - DELTA HOUSE & DETACHED ADU



NORTH FACE - DELTA HOUSE & DETACHED ADU

ELEVATIONS

Revisions:

No	Description	Date

Design/Build by:

8739 Artesia Blvd
Bellflower, CA 90706
Phone: (310) 821-7831
www.habitatla.org

Robert Dwelle, PE
rdwelle@habitatla.org

120118

Job:

**Habitat for Humanity
Affordable Housing
9513 SPRING STREET
Los Angeles, CA 90003**

Consultants:

Survey/Mapping:
Anscal Engineering
Contact: Glen Gwatney
1900 E Le Palma Ave, Suite 202
Anaheim, CA 92805
(714) 774-1763

Structural:
Tibbs Engineering
Contact: Mark Ibrahim
3436 E Longridge Dr
Orange, CA 92667
(714) 553-2595

Soils:
Norcal Engineering
Contact: Scott Spensiero
10641 Humboldt Street
Los Alamitos, CA 90720
(562) 799-9459

Landscaping:
Northeast Trees
Contact: Theresa Rossoli
570 W Avenue 26 - No. 200
Los Angeles, CA 90065
(323) 441-8634

Date:

JUNE 20, 2017

Scale:

1/4" = 1'

Sheet Title:

ELEVATIONS

Sheet No.:

A-06

CITY LOAN AGREEMENT

THE CITY OF LOS ANGELES

(RE-SALE RESTRICTED PROPERTY)

Borrower: Habitat for Humanity of Greater Los Angeles,
a California non-profit public benefit corporation

Project: 9513 South Spring Street, Los Angeles, CA 90003

Amount: \$159,000.00 (City Loan) and \$48,000.00 (City Grant)

Los Angeles City Council File Number: 12-0049-S10

Item Number: _____

Said Agreement is Number _____ of City Contracts

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	2-4
ARTICLE 1. <u>TRANSFER OF THE PROPERTY AND TERMS OF CITY LOAN</u>	
1.1 CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED.....	5
1.2 PURCHASE AND SALE OF THE PROPERTY.....	5
1.3 AMOUNT OF CITY LOAN.....	6
1.4 AMOUNT OF CITY GRANT.....	7
1.5 INTEREST.....	7
1.6 TERM OF CITY LOAN.....	7
1.7 REPAYMENT OF THE CITY LOAN.....	7
1.8 REPAYMENT OF THE CITY GRANT [IF APPLICABLE].....	7
1.9 USE OF PROPERTY.....	8
1.10 PREPAYMENT OF CITY LOAN.....	8
1.11 COLLATERAL.....	8
1.12 CONDITIONS PRECEDENT TO CITY LOAN DISBURSEMENT.....	9
ARTICLE 2. <u>PREDEVELOPMENT OF PROJECT</u>	9
2.1 FINANCING.....	9
2.2 CONSTRUCTION BONDS.....	9
2.3 BORROWER'S PERSONNEL	10
2.4 ASSIGNMENT AND DELEGATION.....	10
2.5 CONTRACTS AND SUBCONTRACTS.....	10
2.6 PREVAILING WAGES.....	11
2.7 DAVIS-BACON ACT [NOT APPLICABLE DUE TO PROJECT SIZE].....	11
2.8 PERMITS	12
2.9 PLANS AND SPECIFICATIONS.....	12
2.10 TITLE AND TITLE INSURANCE.....	12
ARTICLE 3. <u>DEVELOPMENT OF PROJECT</u>	13
3.1 LOCAL, STATE AND FEDERAL LAWS.....	13
3.2 COMMENCEMENT OF CONSTRUCTION.....	14
3.3 CONFIGURATION OF PROJECT.....	14
3.4 COMPLETION OF CONSTRUCTION.....	15
3.5 SCHEDULING AND EXTENSIONS OF TIME.....	15
3.6 QUALITY OF WORK.....	15
3.7 ADDITIONS OR CHANGES IN WORK	15
3.8 MAINTENANCE OF RECORDS, RIGHT TO INSPECT AND COPY.....	16
3.9 AUDITS AND INSPECTIONS.....	17
3.10 CONSTRUCTION RESPONSIBILITIES.....	19
3.11 ENCUMBRANCE OF PROPERTY.....	19
3.12 TRANSFER OF PROPERTY PRIOR TO COMPLETION.....	19
3.13 MECHANICS LIENS AND STOP NOTICES.....	20

3.14	BARRIERS TO THE DISABLED.....	20
3.15	LEAD-BASED PAINT AND ASBESTOS REMOVAL.....	21
3.16	ENVIRONMENTAL ASSESSMENT REPORT.....	21
3.17	CLAIMS FOR LABOR AND MATERIALS.....	22
3.18	FEES, TAXES, AND OTHER LEVIES.....	22
3.19	DAMAGE TO PROPERTY.....	22
3.20	RELOCATION.....	22
ARTICLE 4.	<u>SALE OF THE PROJECT</u>	23
4.1	SALE TO ELIGIBLE HOUSEHOLD.....	23
4.2	ASSUMPTION OF CITY REGULATORY AGREEMENT REQUIRED.....	24
ARTICLE 5.	<u>PROJECT OPERATION</u>	24
5.1	OBLIGATION TO REFRAIN FROM DISCRIMINATION.....	24
5.2	AFFORDABILITY REQUIREMENTS.....	24
5.3	COMPLIANCE WITH CITY REGULATORY AGREEMENT.....	24
5.4	RESOLUTION OF CONFLICTS.....	25
ARTICLE 6.	<u>STANDARD PROVISIONS FOR CITY CONTRACTS</u>	25
6.1	WARRANTY AND RESPONSIBILITY OF CONTRACTOR.....	25
6.2	MANDATORY PROVISIONS PERTAINING TO NON-DISCRIMINATION ...	25
6.3	CHILD SUPPORT ASSIGNMENT ORDERS.....	26
6.4	LIVING WAGE ORDINANCE	26
6.5	SERVICE CONTRACTOR WORKER RETENTION ORDINANCE.....	26
6.6	ACCESS AND ACCCOMODATIONS.....	26
6.7	CONTRACTOR RESPONSIBILITY ORDINANCE.....	27
6.8	BUSINESS INCLUSION ORDINANCE.....	27
6.9	SLAVERY DISCLOSURE ORDINANCE.....	27
6.10	FIRST SOURCE HIRING ORDINANCE.....	27
6.11	LOCAL BUSINESS PREFERENCE ORDINANCE.....	28
6.12	RESTRICTIONS ON CAMPAIGN CONTRIBUTIONS AND FUNDRAISING IN CITY ELECTIONS.....	28
6.13	USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT.....	29
6.14	LIMITATION OF CITY'S OBLIGATION TO MAKE PAYMENT TO BORROWER.....	29
6.15	COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS.....	29
6.16	COMPLIANCE WITH CALIFORNIA PUBLIC RESOURCES CODE SECTION 5164.....	30
6.17	POSSESSORY INTERESTS TAX.....	30
6.18	CONFIDENTIALITY.....	30
6.19	OWNERSHIP AND LICENSE.....	30
6.20	DATA PROTECTION [IF APPLICABLE].....	31
6.21	BEST TERMS.....	32
6.22	INDEPENDENT CONTRACTOR.....	32

ARTICLE 7. <u>INDEMNITY AND INSURANCE</u>	32
7.1 INSURANCE COVERAGE.....	32
7.2 INSURANCE ADVANCES.....	32
7.3 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS.....	33
7.4 INDEMNIFICATION.....	33
7.5 INTELLECTUAL PROPERTY INDEMNIFICATION [IF APPLICABLE]	33
7.6 INTELLECTUAL PROPERTY WARRANTY	34
7.7 BORROWER'S INSURANCE REQUIREMENTS	34
ARTICLE 8. <u>ENVIRONMENTAL COMPLIANCE</u>	41
8.1 REPRESENTATIONS AND WARRANTIES.....	41
8.2 NOTIFICATION TO LENDER.....	41
8.3 USE AND OPERATION OF PROPERTY.....	42
8.4 COMPLIANCE WITH ENVIRONMENTAL STANDARDS.....	42
8.5 REMEDIAL ACTIONS.....	42
8.6 RIGHT OF CONTEST.....	42
8.7 ENVIRONMENTAL INDEMNITY.....	43
ARTICLE 9. <u>DEFAULT AND REMEDIES</u>	43
9.1 EVENTS OF DEFAULT.....	43
9.2 NOTICE OF DEFAULT AND OPPORTUNITY TO CURE.....	45
9.3 LENDER'S REMEDIES.....	45
9.4 BORROWER'S REMEDIES.....	47
9.5 REMEDIES AVAILABLE TO BOTH PARTIES.....	47
9.6 SURVIVAL.....	48
ARTICLE 10. <u>GENERAL PROVISIONS</u>	48
10.1 CONSTRUCTION OF PROVISIONS AND TITLES HEREIN.....	48
10.2 APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT.....	48
10.3 TIME OF EFFECTIVENESS.....	48
10.4 INTERGRATION.....	49
10.5 AMENDMENTS AND MODIFICATIONS.....	49
10.6 EXCUSABLE DELAY IN PERFORMANCE.....	49
10.7 WAIVER.....	50
10.8 SUSPENSION.....	50
10.9 TERMINATION	50
10.10 BORROWER'S WARRANTIES.....	53
10.11 PROJECT MONITORING AND EVALUATION.....	53
10.12 CONFLICTS OF INTEREST.....	53
10.13 POLITICAL ACTIVITY.....	56
10.14 PUBLICITY.....	56
10.15 FALSE CLAIMS ACT.....	56
10.16 STATUTORY REFERENCES.....	56
10.17 TIME.....	57

10.18	CONSENTS AND APPROVALS.....	57
10.19	NOTICES, DEMANDS AND COMMUNICATIONS.....	57
10.20	BINDING ON SUCCESSORS.....	57
10.21	RELATIONSHIP OF PARTIES.....	57
10.22	OTHER AGREEMENTS.....	58
10.23	SEVERABILITY.....	58
10.24	NON-RECOURSE.....	58

EXHIBITS

CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

EXHIBIT A: LEGAL DESCRIPTION

EXHIBIT B: DEFINITIONS

EXHIBIT C: CITY NOTE

EXHIBIT D: CITY DEED OF TRUST
EXHIBIT A - LEGAL DESCRIPTION

EXHIBIT E: BUDGET AND ELIGIBLE COSTS

EXHIBIT F: FUNDING/FINANCING SOURCES OR COMMITMENTS

EXHIBIT G: CONDITIONS PRECEDENT TO LOAN DISBURSEMENT

EXHIBIT H: CERTIFICATION REGARDING LOBBYING

EXHIBIT I: CERTIFICATION REGARDING DEBARMENT

EXHIBIT J: UCC-1
EXHIBIT 1- COLLATERAL DESCRIPTION
EXHIBIT 2- LEGAL DESCRIPTION
EXHIBIT 3- DESCRIPTION OF IMPROVEMENTS, PLANS
AND SPECIFICATIONS

EXHIBIT K: ASSIGNMENT OF ARCHITECT'S CONTRACTS AND PLANS AND
SPECIFICATIONS AND PERMITS
EXHIBIT A- ARCHITECT'S CONTRACT
EXHIBIT B- CONSENT AND CERTIFICATE

EXHIBIT L: SCHEDULE OF PERFORMANCE

EXHIBIT M: CITY REGULATORY AGREEMENT

EXHIBIT N: MAYOR'S EXECUTIVE ORDER NO. 2001-26

EXHIBIT O: INSURANCE REQUIREMENTS

EXHIBIT P: FORM OF GRANT DEED

CITY LOAN AGREEMENT

City Loan for acquisition of real property
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

\$159,000.00 (City Loan) and \$48,000.00 (City Grant)

This City Loan Agreement ("City Loan Agreement") is made this _____ day of _____, 2018, by and between the City of Los Angeles, a municipal corporation, acting by and through its agency, the Los Angeles Housing and Community Investment Department ("Lender", "City", "Department" or "HCID") and Habitat for Humanity of Greater Los Angeles, a California non-profit public benefit corporation ("Borrower").

RECITALS

A. **WHEREAS**, Lender wishes to promote HOME OWNERSHIP and a greater choice of housing opportunities for persons and families of low income and moderate income and to assist in making housing more affordable in neighborhoods in need of revitalization; and

B. **WHEREAS**, Lender is the owner of the real property (a vacant lot) located at 9513 South Spring Street, Los Angeles, CA 90003 (as more particularly described in Exhibit "A" to this City Loan Agreement, which is hereby incorporated into this City Loan Agreement by reference) (the "Property") which currently consists of a vacant lot; and

C. **WHEREAS**, the Property, as part of a larger parcel (Master Lot) was originally acquired by the former Community Redevelopment Agency of the City of Los Angeles (former "CRA/LA") and which sold it to a developer for a project that never materialized; and

D. **WHEREAS**, October of 1992, the former CRA/LA purchased the Master Lot back from the developer for \$2.56 million dollars, using Bunker Hill Housing Funds; and

E. **WHEREAS**, former CRA/LA maintained the Property as a vacant lot, until it was transferred to HCID as a part of the former CRA/LA's housing assets in May of 2013. HCID has maintained the Property since then; and

F. **WHEREAS**, in December of 2016, HCID conducted a competitive Request for Proposal process conducted wherein it was determined that the public interest necessitates the sale of the Property to Borrower; and

G. **WHEREAS**, Borrower proposes to acquire the Property for the purpose of the development and construction of an affordable for-sale home-ownership project consisting of: (1) a 1,149 square foot, 3-bedroom, 2-bath single family home with a 457 square foot, 2-car garage ("SFD") and a 494 square foot, 1-bedroom, 1-bathroom junior accessory dwelling unit ("Junior ADU") without parking (both the SFD and Junior ADU shall include air-conditioning, an oven, a refrigerator, microwave, private backyard and drought tolerant plants with smart irrigation, the SFD shall be solar power ready and the garage shall be EV plug in ready with a 22 volt outlet installation and the SFD and the Junior ADU shall be surrounded by a 6 foot wooden fence) (the SFD and the Junior ADU, are hereinafter sometimes collectively referred to as the "Project" or the "Improvements"); and

H. **WHEREAS**, Upon completion of the Project, the Borrower shall sell it to an Eligible Household for no more than the Maximum Sales Price who shall use the Project as their primary residence for the duration of their ownership. The Project shall be subject to re-sale restrictions for a period of thirty (30) years from the date of issuance of a Certificate Occupancy or Certificate of Completion, if applicable, for the Project. If the certificates for the Project (i.e. for the SFD and Junior ADU) are issued on different dates, the date of the last issued certificate controls.

I. **WHEREAS**, at the end of the thirty (30) year term, in addition to the balance of the City Loan due, upon the first sale of the Project for market value, the then-Owner of the Project shall pay the City its shared appreciation in the Project; and

J. **WHEREAS**, in October of 2017, pursuant to Council File No. 12-0049-S10, HCID was designated as with the authority to work with the Office of the City Attorney to draft the necessary ordinance to sell the Property; and

K. **WHEREAS**, Los Angeles Administrative Code Section 22.606.2(c), permits HCID to convey any interest owned or controlled by the City in real property at its fair reuse value provided there is one or more agreements in place and one or more deed restriction recorded, requiring the development, use and maintenance of the property for affordable housing purposes for such a period of time as is determined by HCID to be appropriate; and

L. **WHEREAS**, in March of 2018, HCID obtained an appraisal for the Property which placed its fair market value at TWO HUNDRED AND SEVEN THOUSAND DOLLARS (\$207,000.00); and

M. **WHEREAS**, in August of 2018, HCID prepared a report as to the estimated fair reuse value of the Property taking into account the proposed Project and determined that the present fair reuse of the Property is ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00); and

N. **WHEREAS**, the City agrees to grant the difference between the fair use value and market rate value of the Property which amounts to FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) ("City Grant") to Borrower, however, in the event the Borrower breaches the City Loan Agreement, as determined by the City, the City Grant shall be subject to re-payment to the City by Borrower; and

O. **WHEREAS**, this City Loan ("City Loan") is made in connection with the City's sale and transfer of the Property to Borrower for its fair reuse price of ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00) ("Purchase Price"); and

P. **WHEREAS**, the City Loan principal shall be set at ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00); and

Q. **WHEREAS**, a promissory note ("City Note") (Exhibit "C") shall be executed by Borrower concurrently herewith evidencing the City Loan and City Grant. In addition, a Deed of Trust ("City Deed of Trust") (Exhibit "D"), a Regulatory Agreement ("City Regulatory Agreement") (Exhibit "M") and a Grant Deed with deed restrictions (Exhibit "P") shall be executed by Borrower and shall be recorded against the Property contemporaneous with the execution of this City Loan Agreement. Also, Lender shall receive an Assignment of the Contractor's Contract and the Architect's Plans and Specifications (Exhibit "K"). These instruments are intended to secure Lender's continuing interest in the affordability and habitability of the Project, as well as to secure performance of other covenants contained in these City Loan Documents; and

R. **WHEREAS**, the City Loan will be deemed repaid by Buyer/Borrower with the proceeds of a \$159,000.00 City Soft Second Loan to be made to Eligible Household, who shall then assume the debt and re-sale restrictions; and

S. **WHEREAS**, concurrently with closing of the sale of the Project to an Eligible Household and closing of the City Soft Second Loan to the Eligible Household, the City will issue a re-conveyance of the City Loan to the Borrower.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the making of this City Loan, Borrower and Lender hereby agree as follow:

ARTICLE 1. TRANSFER OF THE PROPERTY AND TERMS OF CITY LOAN

1.1 CURRENT LOS ANGELES CITY BUSINESS TAX REGISTRATION CERTIFICATE REQUIRED. For the duration of this City Loan Agreement, Borrower shall maintain valid Business Tax Registration Certificate(s) as required by CITY'S Business Tax Ordinance, Section 21.00 et seq. of the Los Angeles Municipal Code ("LAMC"), and shall not allow the Certificate to lapse or be revoked or suspended.

1.2 PURCHASE AND SALE OF THE PROPERTY. The City agrees to sell and transfer to Borrower, and Borrower agrees to purchase and accept from City, City's fee interest in the Property (Exhibit "A") in accordance with this City Loan Agreement and the grant deed attached hereto as Exhibit "P" ("Grant Deed") which is hereby incorporated into this City Loan Agreement by reference.

A. Purchase Price. In accordance with and subject to all terms, covenants and conditions of this City Loan Agreement and the Grant Deed, the City agrees to transfer the Property to Borrower and Borrower agrees to purchase the Property for the Purchase Price of ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00). The Purchase Price shall be paid by Borrower to City in the form of the City Loan, whose principal amount shall be equal to the Purchase Price.

B. Condition of the Property.

1. Due Diligence. The Borrower acknowledges that it has conducted all studies and investigations of the Property that it has deemed necessary to assure itself of the physical condition of the Property and the suitability of the Property for the development contemplated by this City Loan Agreement.

2. "As Is" Condition.

THE BORROWER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE CITY IS SELLING TO THE BORROWER AND THE BORROWER IS BUYING FROM THE CITY THE PROPERTY ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT THE BORROWER IS NOT RELYING ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS (EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT) OR IMPLIED, FROM THE CITY AS TO ANY MATTERS CONCERNING THE PROPERTY, INCLUDING WITHOUT LIMITATION: (A) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, TOPOGRAPHY, CLIMATE, AIR, WATER RIGHTS, WATER, GAS, ELECTRICITY, UTILITY SERVICES, GRADING, DRAINAGE, SEWERS, ACCESS TO PUBLIC ROADS AND RELATED CONDITIONS); (B) THE QUALITY, NATURE, ADEQUACY, AND PHYSICAL CONDITION OF SOILS, GEOLOGY AND

GROUNDWATER, (C) THE EXISTENCE, QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF UTILITIES SERVING THE PROPERTY, (D) THE DEVELOPMENT POTENTIAL OF THE PROPERTY, AND THE PROPERTY'S USE, HABITABILITY, MERCHANTABILITY, OR FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE PROPERTY FOR ANY PARTICULAR PURPOSE, (E) THE ZONING OR OTHER LEGAL STATUS OF THE PROPERTY OR ANY OTHER PRIVATE OR GOVERNMENTAL RESTRICTIONS ON THE USE OF THE PROPERTY, (F) THE COMPLIANCE OF THE PROPERTY OR ITS OPERATION WITH ANY APPLICABLE CODES, LAWS, REGULATIONS, STATUTES, ORDINANCES, COVENANTS, CONDITIONS AND RESTRICTIONS OF ANY GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY OR OF ANY OTHER PERSON OR ENTITY, AND (G) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS ON, UNDER OR ABOUT THE PROPERTY OR EMANATING FROM THE ADJOINING OR NEIGHBORING PROPERTY. THE BORROWER AFFIRMS THAT THE BORROWER HAS NOT RELIED ON THE SKILL OR JUDGMENT OF THE CITY OR ANY OF ITS RESPECTIVE AGENTS, EMPLOYEES, CONSULTANTS OR CONTRACTORS TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT THE CITY MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE. THE BORROWER ACKNOWLEDGES THAT IT SHALL USE ITS INDEPENDENT JUDGMENT AND MAKE ITS OWN DETERMINATION AS TO THE SCOPE AND BREADTH OF ITS DUE DILIGENCE INVESTIGATION WHICH IT SHALL MAKE RELATIVE TO THE PROPERTY AND SHALL RELY UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC AND LEGAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, WHETHER THE PROPERTY IS LOCATED IN ANY AREA WHICH IS DESIGNATED AS A SPECIAL FLOOD HAZARD AREA, DAM FAILURE INUNDATION AREA, EARTHQUAKE FAULT ZONE, SEISMIC HAZARD ZONE, HIGH FIRE SEVERITY AREA OR WILDLAND FIRE AREA, BY ANY FEDERAL, STATE OR LOCAL CITY). THE BORROWER UNDERTAKES AND ASSUMES ALL RISKS ASSOCIATED WITH ALL MATTERS PERTAINING TO THE PROPERTY'S LOCATION IN ANY AREA DESIGNATED AS A SPECIAL FLOOD HAZARD AREA, DAM FAILURE INUNDATION AREA, EARTHQUAKE FAULT ZONE, SEISMIC HAZARD ZONE, HIGH FIRE SEVERITY AREA OR WILDLAND FIRE AREA, BY ANY FEDERAL, STATE OR LOCAL CITY.

C. TRANSFER OF PROPERTY.

1. Immediately following the full execution of this City Loan Agreement and the effective date of the ordinance authorizing the sale of the Property from City to Borrower, the City shall record, in the Office of the County Recorder of Los Angeles County, California, the following documents concurrently, in the following order: (1) Grant Deed (in the form attached as "Exhibit "P"), (2) the City Regulatory Agreement (Exhibit "M"), (3) City Deed of Trust ("Exhibit D"). Upon completion of recordation, title to the Property shall be deemed transferred to Borrower.

1.3 AMOUNT OF CITY LOAN. On and subject to the terms and conditions of the City Loan Documents, Lender agrees to transfer to Borrower and the Borrower agrees to purchase the Property for ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00) The City

Loan principal shall be set at ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00) as evidenced by a promissory note (the "City Note") (Exhibit "C") in this amount and secured by a Deed of Trust (the "City Deed of Trust") (Exhibit "D") recorded against the Property. The City Loan shall be deemed disbursed upon transfer of title of the Property to Borrower. Exhibits "C" and "D" are hereby incorporated into this City Loan Agreement by this reference.

1.4 AMOUNT OF CITY GRANT. On and subject to the terms and conditions of the City Loan Documents, Lender agrees to grant to Borrower, FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) in order assist Borrower with the development of the Project. However, the City Grant is conditioned on the Borrower's compliance with the terms of the City Loan Agreement. In the event of a breach, as determined by the City, the Borrower shall be obligated to re-pay the City Grant along with the balance of the City Loan. The City Grant is evidenced by the City Note (Exhibit "C") and secured by the City Deed of Trust (Exhibit "D"); and

1.5 INTEREST. Subject to Section 3.5, the City Note shall bear simple interest at the rate of zero percent (0%) per annum on the outstanding principal amount commencing from the date of the City Note until paid. The City will waive interest if the Project is completed on time per the Schedule of Performance (Exhibit "L").

1.6 TERM OF CITY LOAN. Payments of principal and interest shall be made as required by the City Note. Unless due sooner pursuant to the City Note, the principal of the City Loan and any accrued interest thereon shall be due and payable on the earliest of: (a) June 1, 2019 (i.e. the deadline for sale of the completed Project by Borrower per Exhibit "L"), (b) the date the Property is sold, assigned, transferred or refinanced without the City's approval or (c) an Event of Default by Borrower which has not been cured as provided for in this City Loan Agreement.

1.7 REPAYMENT OF THE CITY LOAN. Upon completion of the Project, Borrower shall sell the Project to an Eligible Household in accordance with the terms of Article 4 hereto. Concurrent with the close of escrow for the sale of the Project in accordance with the terms of this City Loan Agreement, the City Loan shall be deemed repaid by Borrower with the proceeds of a City Soft Second Loan to be made to the Eligible Household in the amount of ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00). Borrower shall pay any applicable recording fees required to re-convey the City Deed of Trust, following re-payment.

1.8. REPAYMENT OF THE CITY GRANT. [IF APPLICABLE] If the Borrower complies with the terms of the City Loan Agreement, as determined by the City, no repayment of the City Grant shall be

required. In all other instances, the City Grant shall be due and payable the earlier of and any accrued interest thereon, shall be due and payable on the earliest of: (a) June 1, 2019 (i.e. the deadline for sale of the completed Project by Borrower per Exhibit "L"), (b) the date the Property is sold, assigned, transferred or refinanced without the City's approval or (c) an Event of Default by Borrower which has not been cured as provided for in this City Loan Agreement.

1.9 USE OF PROPERTY. The Property shall only be used by Borrower for the development and construction of the Project, which upon completion, are to be sold to an Eligible Household in accordance with Article 4 hereto.

1.10 PREPAYMENT OF CITY LOAN. No prepayment penalty will be charged to Borrower for payment of all or any portion of the City Loan amount prior to the end of the City Loan Term described herein.

1.11 COLLATERAL. As collateral for the City Loan, the Borrower shall provide the Lender with an executed City Deed of Trust in the form attached as Exhibit "D", giving the Lender a security interest in the Property. The Borrower shall deliver concurrently with the execution of the City Deed of Trust, the original executed City Note in the form attached as Exhibit "C", which the Lender shall hold until the City Note is paid in full or is deemed paid back in full by the proceeds of the City Soft Second Loans made to the Eligible Household.

Lender shall file a UCC-1 with the California Secretary of State, a copy of which is attached as Exhibit "J", giving the Lender a security interest in the Improvements, personal property, and Plans and Specifications. Exhibit "J" is hereby incorporated into this City Loan Agreement by this reference.

If applicable, concurrent with the recording of the City Deed of Trust, the Lender shall cause all previous deeds of trust to be respectively re-conveyed, all of the previous promissory notes shall be cancelled and returned to the Borrower and all previous UCC-1's shall likewise be terminated.

As further security, the Borrower agrees to assign and transfer to the City, subject to the rights of prior lien holders, its successor or assigns, all of the (1) the Borrower's rights in and to the Plans and Specifications, together with all amendments, modifications, supplements, general conditions and addenda thereto relating to the Project and (2) Borrower's rights, title and interest in the agreement between Borrower and the Architect relating to the development of the Project in the form attached as

Exhibit "K", which is hereby incorporated into this City Loan Agreement by reference.

1.12 CONDITIONS PRECEDENT TO CITY LOAN DISBURSEMENT AND TRANSFER OF PROPERTY. The City shall not be obligated to transfer the Property to the Borrower or take any other action under the City Loan Documents nor shall Borrower be obligated to accept the Property, unless all of the conditions precedent contained in Exhibit "G" are satisfied. Exhibit "G" is hereby incorporated into this City Loan Agreement by this reference. The City Loan shall be deemed disbursed upon transfer of title of the Property to Borrower.

Prior to the City Loan disbursement, Borrower shall submit a fully executed Certification and Disclosure Regarding Lobbying, as required by 24 CFR 87.110, attached as Exhibit "H", which is hereby incorporated into this City Loan Agreement by this reference. Borrower shall comply with all provisions of 31 USC §1352 et seq., 29 CFR Part 93, and all City lobbying policies. Borrower shall also submit an executed Certification Regarding Debarment, as required by Executive Order 12549, attached as Exhibit "I", which is hereby incorporated into this City Loan Agreement by this reference.

ARTICLE 2. PREDEVELOPMENT OF PROJECT

2.1 FINANCING. Borrower shall promptly inform Lender of any changes in the amount, terms, and/or sources of funding/financing sources or commitments or funding for the Project, attached as Exhibit "F", which is hereby incorporated into this City Loan Agreement by this reference.

2.2 CONSTRUCTION BONDS. Where applicable, Borrower or its subcontractor shall procure, file and deliver to the Office of the City Administrative Officer, Risk Management for its review and acceptance in accordance with Los Angeles Administrative Code ("LAAC") Sections 11.47 et seq., as amended from time to time, copies of labor and material (payment) bonds and performance bonds, or a dual bond which covers both payment and performance obligations, with respect to the construction of the Project in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction. Said bonds should be issued by an insurance company which is licensed to do business in California and has a rating equivalent to AAA or AA+ by Standard and Poor's or Moody's. The labor and materials (payment) bond should name Lender as a co-obligee or assignee. In lieu of said bonds, a letter of credit in the sole name and possession of Lender in the penal amount and in a form and substance acceptable to Lender may be substituted.

2.3 BORROWER'S PERSONNEL. While the City acknowledges and agrees that Borrower's business model also utilizes volunteer labor (and donations of materials and labor) unless otherwise provided for or approved by the City, Borrower shall use its own employees to perform the services described in this City Loan Agreement. The City shall have the right to review and approve any personnel who are assigned to work under this City Loan Agreement. Borrower agrees to remove personnel from performing work under this City Loan Agreement if requested to do so by the City.

Borrower shall not use subcontractors to assist in the performance of this City Loan Agreement without the prior written approval of the City. If the City permits the use of subcontractors, the Borrower shall remain responsible for performing all aspects of this City Loan Agreement. The City has the right to approve Borrower's subcontractors and the City reserves the right to request replacement subcontractors. The City does not have any obligation to pay Borrower's subcontractors, and nothing herein creates any privity between the City and the subcontractors.

2.4 ASSIGNMENT AND DELEGATION. Borrower may not, unless it has first obtained the written permission of the City:

- A. Assign, or otherwise alienate any of its rights under this City Loan Agreement, including the right to payment, if any, or
- B. Delegate, subcontract, or otherwise transfer any of its duties under this City Loan Agreement.

Any unauthorized assignment or delegation shall be void.

2.5 CONTRACTS AND SUBCONTRACTS. All construction work and professional services for the Project shall be performed (or with respect to volunteers, supervised) by persons or entities licensed or otherwise authorized to perform the applicable construction work or service in the State of California and shall be reviewed and approved by Lender. Borrower shall have a current City of Los Angeles Business License.

All contracts entered into for the Project shall be the result of either competitive or negotiated bids unless otherwise approved by Lender. All costs incurred in predevelopment, development and operation of the Project shall be the responsibility and obligation solely of Borrower.

2.6 PREVAILING WAGES. Unless, Borrower can establish entitlement to an exemption* under California Labor Code Section 1720, et seq., Borrower shall cause the contractor and subcontractors to pay prevailing wages in the construction of the Improvements as those wages are determined pursuant to Labor Code Sections 1770-1781 and implementing regulations of the Department of Industrial Relations ("DIR") and comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the DIR, if applicable. The Borrower shall and shall cause the contractor and contractors to keep and retain such records as are necessary to determine if such prevailing wages have been paid as required pursuant to Labor Code Sections 1770-1781. Copies of the currently applicable current per diem prevailing wages are available from the Los Angeles Housing and Community Investment Department, 1200 W. 7th Street, 8th Floor, Los Angeles, California 90017. During the construction of the Improvements, Borrower shall or shall cause the contractor to post at the Property the applicable prevailing rates of per diem wages.

*Borrower asserts that this Project is exempt from Section 2.6 pursuant to California Labor Code Section 1720(c)(5)(A). Borrower agrees to provide the City and the DIR with any and all documentation (as may be required by the DIR) within 15 days of any written request, necessary to establish entitlement to this exemption. Borrower shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the City) the City against any claim(s) for damages, compensation, fines, penalties or other amounts arising out of both Borrower's claimed exemption, including but not limited to the failure or alleged failure to establish entitlement to the claimed exemption and failure or alleged failure of any person or entity (including Borrower, its contractor and subcontractors) to pay prevailing wages as determined pursuant to Labor Code Sections 1720 et seq. and implementing regulation or comply with the other applicable provisions of Labor Code Sections 1720 et seq. and implementing regulations of the Department of Industrial Relations in connection with construction of the Improvements or any other work undertaken or in connection with the Property.

2.7 DAVIS-BACON ACT. [NOT APPLICABLE DUE TO PROJECT SIZE] Borrower shall and shall cause the contractor and subcontractors to comply with the requirements of the Davis-Bacon Act pursuant to 40 U.S.C.S. 3141-3148 and implementing regulations, if applicable. All workers performing construction work for the Project employed by Borrower or by any contractor or subcontractor shall be compensated in an amount no less than the wage rate determined by the U.S. Labor Department pursuant to the federal Davis-Bacon Act and implementing rules and regulations. Borrower shall comply with all reporting and recordkeeping requirements of the applicable

statutes and regulations. During the construction of the Improvements, Borrower shall or shall cause the contractor to post at the Property the applicable prevailing rates of per diem wages.

Borrower shall indemnify, hold harmless and defend (with counsel reasonably acceptable to the City) the City against any claim for damages, compensation, fines, penalties or other amounts arising out of the failure or alleged failure of any person or entity (including Borrower, its contractor and subcontractors) to pay prevailing wages as determined pursuant to 40 U.S.C.S. 2141-3148 and implementing regulations or comply with the other applicable provisions of 40 U.S.C.S. 2141-3148 and implementing regulations in connection with construction of the Improvements or any other work undertaken or in connection with the Property.

2.8 PERMITS. Before commencement of any work on the Project, Borrower and its directors, officer, partners, agents, employees, and subcontractors, to the extent allowed hereunder, shall obtain and maintain all licenses, permits, certifications and other documents necessary for Borrower's performance of this City Loan Agreement and shall pay any fees required thereof. Borrower certifies to immediately notify the City of any suspension, termination, lapse, non-renewals, or restrictions of license, permits, certificates, or other documents. The Project shall be developed in accordance with applicable State and Local building codes or, in the absence of such codes, in accordance with a nationally recognized model building code.

2.9 PLANS AND SPECIFICATIONS. Before commencement of construction, Borrower shall submit to Lender for its review and approval the final plans and specifications for development of the Project (the "Plans and Specifications"). Borrower shall develop the Project in full conformance with the Plans and Specifications and any modifications thereto approved by Lender.

2.10 TITLE AND TITLE INSURANCE. At the time of transfer to Borrower, Lender warrants that it shall deliver to Borrower good and marketable title to the Property. Borrower agrees that it shall maintain good and marketable title to the Property. As a condition for closing the City Loan, Borrower shall obtain at its own expense, an ALTA City Loan Policy of title insurance naming Lender as the insured with liability not less than the principal amount of the City Loan, issued by an insurer satisfactory to Lender, excepting only such defects, liens, encumbrances, and exceptions as are approved by Lender, and containing such endorsements as Lender may require.

ARTICLE 3. DEVELOPMENT OF PROJECT

3.1 LOCAL, STATE AND FEDERAL LAWS.

- A. The Borrower shall carry out the construction of the Project in conformity with all applicable laws, including all applicable federal and state labor standards. The Borrower shall be responsible for complying with all applicable City, County and State building codes, and planning and zoning requirements, and shall take all necessary steps so that the development of the Property and the construction, use, operation, and maintenance of the Improvements thereon in accordance with the provisions of this City Loan Agreement shall be in conformity with applicable zoning and General Plan requirements, and that all applicable environmental mitigation measures and other requirements shall have been complied with.
- B. The Borrower shall carry out the administration of this City Loan Agreement in conformity with all applicable laws, including, but not limited to the following applicable federal and state laws:
1. Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601-20 (Public Law 90-284) and implementing regulations at 24 CFR Part 107.
 2. Executive Order 11063 and regulations at 24 CFR Part 107.
 3. Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 CFR Part 1.
 4. The Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and regulations at 24 CFR Part 146.
 5. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 and implementing regulations at 24 CFR Part 8.
 6. Architectural Barriers Act of 1968, 42 U.S.C. 4151-4157.
 7. Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4821-4826 and implementing regulations at 24 CFR Part 35.

8. Executive Order 12372 and implementing regulations at 24 CFR Part 52.
9. Flood Disaster Act of 1973, 42 U.S.C. 4001, et seq.
10. Drug Free Workplace Act of 1988, P.L. 100-690, Title V, Subtitle D.
11. Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, 42 U.S.C. 4601, et seq. and 24 CFR Part 42.
12. Office of Management and Budget ("OMB") Circulars A-87, A-110, 1-122 and A-128 Audits of State and Local Government, and implementing regulations at 24 CFR Part 44.
13. Community Housing Development Organization requirements in 24 C.F.R. Sections 92.300 and 92.301.

3.2 COMMENCEMENT OF CONSTRUCTION. Borrower shall begin commencement of construction of the Project in or about September 2018. Borrower shall not commence construction until Lender has issued a written Notice to Proceed.

Lender shall issue a Notice to Proceed when all predevelopment requirements have been met, including, but not limited to:

- A. Submission and approval by Lender of the Plans and specifications and the construction contract;
- B. Submission and approval by Lender of all bonds and insurance requirements of this City Loan Agreement;
- C. Submission and approval by Lender all of the necessary permits and licenses required to begin development of the Project;
- D. Submission and approval by Lender all required documentation as may be required by Article 6 of this City Loan Agreement.

3.3 CONFIGURATION OF THE PROJECT. Borrower shall develop and construct the Project (as defined in Exhibit "B" of the City Loan Agreement) and in full accordance with its final Plans and Specifications.

3.4 COMPLETION OF CONSTRUCTION. Following commencement of construction of the Project, Borrower shall diligently continue construction as evidenced by the issuance of a Certificate of Occupancy or Certificate of Completion, if applicable, for the Project. Borrower shall complete construction of the Project by no later than the end of March 2019.

3.5 SCHEDULING AND EXTENSIONS OF TIME. It shall be the responsibility of Borrower to coordinate and schedule the work to be performed so that commencement and completion will take place in accordance with the provisions of Schedule of Performance attached as Exhibit "L" of this City Loan Agreement, and incorporated herein by this reference. Lender may extend the time for commencement or completion in its sole and absolute discretion in writing if it determines that delay in the progress of work is not attributable to the negligence of Borrower and that such delay was due to causes beyond the control of Borrower. Any time extension granted to Borrower to enable Borrower to complete the work shall not constitute a waiver of any other rights (including, but not limited to, the right to charge three percent (3%) simple interest on the balance of the City Loan for Borrower's failure to complete the Project on time) Lender has under this City Loan Agreement.

3.6 QUALITY OF WORK. Borrower shall construct the Project in conformance with industry standards and shall employ building materials of a quality suitable for the requirements of the Project. Borrower shall develop the Project in full conformance with applicable local, state, and federal statutes, regulations, and building and housing codes.

3.7 ADDITIONS OR CHANGES IN WORK. Lender must be notified in a timely manner of any changes in the work required to be performed under this City Loan Agreement, including any additions, changes, or deletions to the approved Plans and Specifications. A written Change Order authorized by Lender must be obtained before any of the following changes, additions, or deletions in work for the Project may be performed: A) any change in the work that exceeds Five Thousand Dollars (\$5,000.00); or B) any set of changes that cumulatively exceeds Fifty Thousand Dollars (\$50,000.00) or ten percent (10%) of the City Loan amount, whichever is less; or C) any material change in building materials or equipment, specifications, or the architectural or structural design of the Project as provided for in the Plans and Specifications. The Lender has fifteen (15) business days from receipt of such written request for change in work by Borrower to respond. Consent to any additions, changes, or deletions to the work shall not relieve or release Borrower from any other obligations in the City Loan Documents, or relieve or release Borrower or its surety from any surety bond.

3.8 MAINTENANCE OF RECORDS, RIGHT TO INSPECT AND COPY.

- A. The Borrower agrees to keep and maintain books, accounts, reports, files, records (including records pertaining to race, color, creed, sex and national origin of any and all prospective Eligible Households and books of original entry, source documents supporting accounting transactions, financial transactions, service records, general ledger, and canceled checks, and other documents relating to the receipt and transfer of the Property and performance under this City Loan Agreement, in their original form in accordance with this City Loan Agreement and any other implementing laws, rules and regulations, including but not limited to any applicable requirements under HOME Funds contained in 24 CFR 92.508 and CDBG Funds contained in 24 CFR 570.490 and 24 CFR 570.493. Borrower shall maintain copies of such books and records in a location that is within twenty five (25) miles of the Property.
- B. At all reasonable times and following reasonable notice to the Borrower, any duly authorized representative of the City or the Auditor General of the State of California shall have access to and the right to inspect, copy, audit, and examine all such books, records, accounts, reports, files, and other documents of the Borrower kept with respect to the Project, until completion of all close-out procedures and final settlement and conclusion of all issues.
- C. The Borrower shall furnish such statements, records, reports, including litigation reports (except any materials subject to the attorney-client or other privilege), data and other information kept with respect to the Project as the City may from time to time reasonably request.
- D. The Borrower shall retain non-discrimination records on any and all tenants (if applicable) and prospective Eligible Households for ownership for at least twenty five (25) months following the date the record was made. All other records that are required to be retained under this Section shall be retained for a period of three (3) years or until such time as audit findings have been resolved, whichever is later.

Any subcontract entered into by Borrower, to the extent allowed hereunder, shall include like provisions for work to be performed under this City Loan Agreement. In lieu of retaining the

records for the term as prescribed in this provision, Borrower may, upon the City's written approval, submit the required information to the City in an electronic format, e.g. USB flash drive, at the expiration or termination of this City Loan Agreement.

3.9 AUDITS & INSPECTIONS.

- A. Borrower shall make available for examination at reasonable intervals and during normal business hours to Lender all books, accounts, reports, files, and other papers or property with respect to all matters covered by these City Loan Documents, and shall permit Lender to audit, examine, and make excerpts or transcripts from such records (except any materials subject to the attorney-client or other privilege). Lender may make audits of any conditions relating to this City Loan.
- B. Following reasonable notice to Borrower, at any time during normal business hours and as often as the U.S. Comptroller General, Auditor General of the State of California or the City may deem necessary, the Borrower shall make available for examination, all of its records that support all matters covered by this City Loan Agreement.
- C. Following Lender's transfer of the Property to the Borrower, Borrower shall conduct audits or have audits conducted on an annual basis, in accordance with the Single Audit Act of 1984, P.L. 98-502, implementing regulations in OMB Circular A-133, City Council action dated February 4, 1987, C.F. No. 84-2259-S1 and administrative regulations or field memos implementing revisions or updates to the audit requirements. The auditor's reports, prepared in accordance with appropriate Federal Audit Standards, and any accompanying management reports on the operation of the entity or this City Loan Agreement, shall be submitted to the City within one hundred twenty (120) days after the close of the Borrower's fiscal year.
 - 1. The audit is to be conducted annually on an organization wide basis to test the fiscal integrity of financial transactions as well as compliance with the terms and conditions of any Federal grant, if applicable and this City Loan Agreement. The audit is to be conducted by a Certified Public Accountant approved by the City.

2. If this City Loan Agreement is terminated sooner than the close of Borrower's fiscal year, either by completion of Borrower's obligations under this City Loan Agreement or because of default of either party, the audit shall be immediately conducted and submitted to the City within ninety (90) days after such termination.
 3. The Borrower, no later than fifteen (15) days after receipt of the final audit report and within one hundred twenty (120) days after the close of Borrower's fiscal year, shall submit three (3) copies of the report to the Portfolio Management Section of HCID.
 4. If the auditor's report or management report identifies deficiencies with internal controls, contract compliance, or cost certification, the Borrower shall prepare and submit a corrective action plan along with the auditor's reports. The plan shall address all deficiencies and provide specific details on corrective actions to be taken along with the date the action was or will be implemented. If any certification indicates that the Property was not used in accordance with the provisions of this City Loan Agreement and the Project has not yet been sold or committed to be sold to an Eligible Household via executed purchase and sales agreement(s), the Borrower shall immediately transfer the Property back to the City in fee and this City Loan Agreement shall be immediately terminated.
- D. The City, Auditor General of the State of California, the U.S. Comptroller General shall have the authority to audit, examine and make excerpts or transcripts from records (except any materials subject to the attorney-client or other privilege), including contracts, invoices, participant records and other records supporting this City Loan Agreement. Audits of earned funds are limited to determining if such funds were earned in accordance with this City Loan Agreement.
- E. Subject to approval by Lender, Borrower may request the annual review to occur at the same time as the annual review for any other program on the Project (a "Mass Recertification Date").

F. Any subcontract entered into by Borrower, to the extent allowed hereunder, shall include like provisions for work to be performed under this City Loan Agreement.

3.10 CONSTRUCTION RESPONSIBILITIES. Borrower shall be solely responsible for all aspects of Borrower's conduct in connection with the Project, including, but not limited to, the quality and suitability of the Plans and Specifications, the supervision of construction work, and the qualifications, financial conditions, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Lender is under no duty to review the Plans and Specifications or to inspect construction of the Project. Any review or inspection undertaken by Lender with reference to the Project is solely for the purpose of determining whether Borrower is properly discharging its obligations to Lender, and should not be relied upon by Borrower or by any third parties as a warranty or representation by Lender as to the quality of the design or construction of the Project.

3.11 ENCUMBRANCE OF PROPERTY. Except as otherwise provided in this City Loan Agreement, prior to the completion of the development of the Project as evidenced by issuance of a Certificate of Occupancy or Certificate of Completion, if applicable, for the Project, Borrower shall not engage in any financing or any other transaction creating any security interest or other encumbrance or lien upon the Property, whether by express agreement or operation of law, or allow any encumbrance or lien to be made on or attached to the Property, except with the prior written consent of Lender. Until issuance of a Certificate of Occupancy or Certificate of Completion, if applicable, Borrower shall notify Lender in writing in advance of any financing secured by any deed of trust, mortgage, or other similar lien instrument that it proposes to enter into with respect to the Project or Property, and of any encumbrance or lien that has been created on or attached to the Property whether by voluntary act of Borrower or otherwise.

3.12 TRANSFER OF PROPERTY PRIOR TO COMPLETION. Borrower has not and shall not, prior to the completion of the development of the Project as evidenced by the issuance of a Certificate of Occupancy or Certificate of Completion, if applicable, make or permit any sale, assignment, conveyance, lease, or other transfer of this City Loan Agreement, the Project, or the Property, or any part thereof without the prior written consent of Lender. Lender shall give its consent to a sale, transfer, or conveyance provided that all of the following conditions are met: (a) transfer is made in accordance with the sale of the completed Project to an Eligible Household in accordance with the terms of the City Loan Agreement; (b) Borrower is in compliance with the City Loan Documents, or the

sale, transfer, or conveyance will result in the cure of any existing violations of the City Loan Documents; (c) the transferee demonstrates to Lender's satisfaction that it is capable of completing the Project in full compliance with the City Loan Documents; and (d) the terms of the sale, transfer, or conveyance shall not jeopardize Lender's security interest or shall provide a similar security interest in the Property and is in full compliance with all legal standards, including eligibility requirements and other conditions imposed by any funding sources for the Project and the City Loan Agreement.

3.13 MECHANICS LIENS AND STOP NOTICES. If any claim of lien is filed against the Property or a stop notice affecting the City Loan is served on Lender, Borrower shall, within twenty (20) days of such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to Lender a surety bond in sufficient form and amount, or provide Lender with other assurance satisfactory to Lender that the claim of lien or stop notice will be paid or discharged.

If Borrower fails to discharge any lien, encumbrance, charge, or claim referred to herein, then in addition to any other right or remedy, Lender may, but shall be under no obligation to, discharge the same at Borrower's expense. Alternatively, Lender may require Borrower to immediately deposit with Lender the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. Lender may use such deposit to satisfy any claim or lien that is adversely determined against Borrower.

Borrower shall file a valid Notice of Cessation upon cessation of construction on the Project for a continuous period of thirty (30) days or more, and take all other reasonable steps to forestall the assertion of claims of lien against the Property. Borrower authorizes Lender, but without any obligation, to record any Notice of Cessation of labor, or any other notice that Lender deems necessary or desirable to protect its interest in the Project and Property; provided, however, that Lender shall exercise this right only if and when Borrower fails to take action as required.

3.14 BARRIERS TO THE DISABLED. The Project shall be developed and the Property shall be maintained to comply with all applicable federal, state, and local requirements for access for disabled persons, including, where applicable, the California Building Code, the Americans with Disabilities Act, and Title VIII of the Civil Rights Act as amended in 1988 by the Fair Housing Amendments Act. See Exhibit "Q", ADA Covenants.

3.15 LEAD-BASED PAINT AND ASBESTOS REMOVAL. Borrower and its contractors and subcontractors shall remove, encapsulate, or enclose lead and asbestos hazardous materials as provided for by Federal Regulations 24 C.F.R., 29 C.F.R., 40 C.F.R., Title X, California O.S.H.A., California health codes, and all city standards; and shall not use lead-based paint and asbestos in its rehabilitated or reconstructed units and shall not use lead-based paint or asbestos in the construction or maintenance of the Property. Borrower shall incorporate or cause to be incorporated this provision in all contracts and subcontracts for work performed on the Property which involve the application of paint or removal of asbestos.

A. Any owner of a pre-1978 building who receives HCID assistance for demolition and/or rehabilitation will be given a list of trained, certified lead-based paint and asbestos contractors from which to select a firm for assessment of the hazardous materials in the building.

B. A qualified contractor certified by the State of California and properly licensed will be hired to do the assessment. If lead-based paint and/or asbestos is found, the contractor will prepare an abatement plan. Said plan, upon review and approval, shall be implemented. The hazardous material testing process, test results and the abatement plan will be monitored and enforced through HCID inspection during the course of work. The actual rehabilitation activity (Improvements) regarding hazardous materials may only be done by State of California certified supervisors and workers. All such work must be completed, required documentation provided, and pass clearance testing before any progress payments can be released.

3.16 ENVIRONMENTAL ASSESSMENT REPORT. To the extent that environmental review under the California Environmental Quality Act is required with respect to activities under this City Loan Agreement, the City shall review such report or document. The Borrower shall provide all information, assistance, and cooperation necessary to prepare such report or document. The Borrower warrants that it has not and shall not take any action which might have a material adverse environmental effect, limit the choices among competing environmental alternatives, or alter environmental premises upon which the City's environmental findings are based. The Borrower agrees not to undertake any activity having a potential adverse environmental effect until such time as the City has advised the Borrower that it has completed an environmental assessment of the Project in accordance with 24 CFR Part 58.

3.17 CLAIMS FOR LABOR AND MATERIALS. To the extent labor and materials for the Project are purchased as opposed to donated, Borrower shall promptly pay when due all amounts owed for labor and materials furnished in the performance of this City Loan Agreement so as to prevent any lien or other claim under any provision of law from arising against any City property (including reports, documents, and other tangible or intangible matter produced by Borrower hereunder), and shall pay all amounts due under the Unemployment Insurance Act or any other applicable law with respect to labor used to perform under this City Loan Agreement.

3.18 FEES, TAXES, AND OTHER LEVIES. During the time Borrower holds title to the Property or to any completed Unit, Borrower shall be responsible for payment of all fees, assessments, taxes, charges, and levies imposed by any public authority or utility company with respect to the Property or the Project, and shall pay such charges prior to delinquency. However, Borrower shall not be required to pay and discharge any such charge so long as: (A) the legality thereof is being contested in good faith and by appropriate proceedings, and (B) Borrower maintains reserves adequate to pay any contested liabilities.

3.19 DAMAGE TO PROPERTY. If any building or Improvements erected by Borrower on the Property is damaged or destroyed by an insurable cause, Borrower shall, at its cost and expense, repair or restore said buildings and Improvements consistent with the original Plans and Specifications for the Project. Such work or repair shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be completed within one (1) year thereafter. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Borrower shall make up the deficiency.

3.20 RELOCATION. If and to the extent that development of the Project results in the permanent or temporary displacement of residential tenants homeowners, or businesses (if applicable), Borrower shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance, and payment of monetary benefits. Borrower shall be solely responsible for payment of any relocation benefits to any displaced persons and any other obligations associated with complying with said relocation laws.

ARTICLE 4. SALE OF THE PROJECT

4.1 **SALE TO ELIGIBLE HOUSEHOLD.** Upon the issuance of a Certificate Occupancy or Certificate of Completion, if applicable, for the Project, Borrower shall sell the Project to an Eligible Household (as that term is defined in Exhibit "B" and Exhibit "M" to this City Loan Agreement) for use as their primary residence and for no more than the Maximum Sales Price as defined in Exhibit "B" and Exhibit "M" to this City Loan Agreement.

Financing for the sale of the Project shall include a City Soft Second Loan, which shall include both re-sale restrictions and shared appreciation provisions.

Prior to the execution of a sales contract with a proposed Eligible Household, Borrower shall submit to Lender for its approval, the sales contract and information on the proposed Eligible Household which shall include all of the following, but not be limited to:

- A. The name, address and daytime and evening telephone numbers in writing of the proposed Eligible Household(s);
- B. A signed financial statement or tax return of the proposed Eligible Household(s) in a form acceptable to Lender and any other supporting documentation requested by Lender. The financial information shall be used by Lender to determine the income eligibility of the proposed Eligible Household and qualification for the City Soft Second Loan required as a condition for the purchase of the Project;
- C. A written certification from the Borrower and the proposed Eligible Household(s) in a form acceptable to Lender that:
 - 1. The purchase shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by Lender;
 - 2. The proposed Eligible Household(s) nor any other party has paid or will pay to Borrower, and the Borrower has not received and will not receive from the proposed Eligible Household(s) or any other party, money or other consideration in addition to what is set forth in the sales contract and documents

submitted to Lender including personal property.

3. Proposed Eligible Household agrees to use the Project only as their primary residence for the entirety of their ownership.

The sale of the Project must be completed before the Term of the City Loan (as set forth in Section 1.5 of the City Loan Agreement) expires).

4.2 ASSUMPTION OF CITY REGULATORY REQUIRED. Although the provisions of the City Regulatory Agreement, follow the Property, Borrower shall also cause the purchasing Eligible Household to execute and record an Assignment and Assumption, in a form acceptable to Lender) of the duties and responsibilities under the City Regulatory Agreement recorded against the Project (Exhibit "M") prior to Eligible Household taking title to the Project.

ARTICLE 5. PROJECT OPERATION

5.1 OBLIGATION TO REFRAIN FROM DISCRIMINATION. There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, sex, sexual preference or orientation, national origin, ancestry, physical handicap, medical condition, age, marital status, mental condition, blindness or other physical disability, acquired immune deficiency (AIDS), acquired or perceived, familial status and handicap, pregnancy, childbirth or related medical condition, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Project, or any part therefor, nor shall the Borrower or any person claiming under or through, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, licenses or vendees of the Project.

5.2 AFFORDABILITY REQUIREMENTS. The affordability of the Project and the Maximum Sales Price shall be maintained as designated in the City Regulatory Agreement attached as Exhibit "M", which is hereby incorporated into this City Loan Agreement by this reference.

5.3 COMPLIANCE WITH CITY REGULATORY AGREEMENT. As a material inducement to Lender making the City Loan to Borrower, Borrower covenants to comply with the provisions of the City Regulatory Agreement (Exhibit "M").

5.4 RESOLUTION OF CONFLICTS. Any conflicts between the restrictive provisions contained in this City Loan Agreement, City Note, City Deed of Trust, and City Regulatory Agreement, and any other agreements in connection with the City Loan or any other loan which affect the Property, are to be resolved by applying the more restrictive covenants or restrictions which affect the Property.

ARTICLE 6. STANDARD PROVISIONS FOR CITY CONTRACTS

6.1 WARRANTY AND RESPONSIBILITY OF CONTRACTOR. Borrower warrants that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within Borrower's profession, doing the same or similar work under the same or similar circumstances.

6.2 MANDATORY PROVISIONS PERTAINING TO NON-DISCRIMINATION IN EMPLOYMENT.

Unless otherwise exempt, this City Loan Agreement is subject to the applicable non-discrimination, equal benefits, equal employment practices, and affirmative action program provisions in LAAC Section 10.8 et seq., as amended from time to time.

A. Borrower shall comply with the applicable non-discrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this City Loan Agreement, Borrower shall not discriminate in any of its hiring or employment practices against any employee or applicant for employment because of such person's race, color, religion, national origin, ancestry, sex, sexual orientation, gender, gender identity, age, disability, domestic partner status, marital status or medical condition.

B. The requirements of Section 10.8.2.1 of the LAAC, the Equal Benefits Ordinance, and the provisions of Section 10.8.2.1(f) are incorporated and made a part of this City Loan Agreement by reference.

C. The provisions of Section 10.8.3 of the LAAC are incorporated and made a part of this City Loan Agreement by reference and will be known as the "Equal Employment Practices" provisions of this City Loan Agreement.

D. The provisions of Section 10.8.4 of the LAAC are incorporated and made a part of this City Loan Agreement by reference and will be known as the "Affirmative Action Program" provisions of this City Loan Agreement.

Any subcontract entered into by Borrower for work to be performed under this City Loan Agreement must include an identical provision.

6.3 CHILD SUPPORT ASSIGNMENT ORDERS. Borrower shall comply with the Child Support Assignment Orders Ordinance, Section 10.10 of the LAAC, as amended from time to time. Pursuant to Section 10.10(b) of the LAAC, Borrower shall fully comply with all applicable State and Federal employment reporting requirements. Failure of Borrower to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment or Notices of Assignment, or the failure of any principal owner(s) of Borrower to comply with any Wage and Earnings Assignment or Notices of Assignment applicable to them personally, shall constitute a default by the Borrower under this City Loan Agreement. Failure of Borrower or principal owner to cure the default within 90 days of the notice of default will subject this City Loan Agreement to termination for breach. Any subcontract entered into by Borrower for work to be performed under this Agreement must include an identical provision.

6.4 LIVING WAGE ORDINANCE. Borrower shall comply with the Living Wage Ordinance, LAAC Section 10.37 et seq., as amended from time to time. Borrower further agrees that it shall comply with federal law proscribing retaliation for union organizing. Any subcontract entered into by Borrower for work to be performed under this City Loan Agreement must include an identical provision.

6.5 SERVICE CONTRACTOR WORKER RETENTION ORDINANCE. Borrower shall comply with the Service Contractor Worker Retention Ordinance, LAAC Section 10.36 et seq., as amended from time to time. Any subcontract entered into by Borrower for work to be performed under this City Loan Agreement must include an identical provision.

6.6 ACCESS AND ACCOMMODATIONS. Borrower represents and certifies that:

A. Borrower shall comply with the Americans with Disabilities Act, as amended, 42 U.S.C. Section 12101 et seq., the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 701 et seq., the Fair Housing Act, and its implementing regulations and any subsequent amendments, and California Government Code Section 11135;

B. Borrower shall not discriminate on the basis of disability or on the basis of a person's relationship to, or association with, a person who has a disability;

C. Borrower shall provide reasonable accommodation upon request to ensure equal access to City-funded programs, services and activities;

D. Construction will be performed in accordance with the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40; and

E. The buildings and facilities used to provide services under this City Loan Agreement are in compliance with the federal and state standards for accessibility as set forth in the 2010 ADA Standards, California Title 24, Chapter 11, or other applicable federal and state law.

Borrower understands that the City is relying upon these certifications and representations as a condition to funding this City Loan Agreement. Any subcontract entered into by Borrower for work to be performed under this Contract must include an identical provision.

6.7 CONTRACTOR RESPONSIBILITY ORDINANCE. Borrower shall comply with the Contractor Responsibility Ordinance, LAAC Section 10.40 et seq., as amended from time to time.

6.8 BUSINESS INCLUSION PROGRAM. Unless otherwise exempted prior to bid submission, Borrower shall comply with all aspects of the Business Inclusion Program as described in the Request for Proposal/Qualification process, throughout the duration of this Contract. CONTRACTOR shall utilize the Business Assistance Virtual Network ("BAVN") at <https://www.labavn.org/>, to perform and document outreach to Minority, Women, and Other Business Enterprises. Borrower shall perform subcontractor outreach activities through BAVN. Borrower shall not change any of its designated Subcontractors or pledged specific items of work to be performed by these Subcontractors, nor shall Borrower reduce their level of effort, without prior written approval of the City.

6.9 SLAVERY DISCLOSURE ORDINANCE. Borrower shall comply with the Slavery Disclosure Ordinance, and Disclosure of Border Wall Contracting Ordinance, LAAC Sections 10.41 et seq., and 10.50, et seq., as amended from time to time. Any subcontract entered into by Borrower for work to be performed under this City Loan Agreement must include an identical provision.

6.10 FIRST SOURCE HIRING ORDINANCE. Borrower shall comply with the First Source Hiring Ordinance, LAAC Section 10.44 et seq., as amended from time to time. Any subcontract entered into by Borrower for work to be performed under this City Loan Agreement must include an identical provision.

6.11 LOCAL BUSINESS PREFERENCE ORDINANCE. Borrower shall comply with the Local Business Preference Ordinance, LAAC Section 10.47 et seq., as amended from time to time. Any subcontract entered into by Borrower for work to be performed under this City Loan Agreement must include an identical provision.

6.12 RESTRICTIONS ON CAMPAIGN CONTRIBUTIONS AND FUNDRAISING IN CITY ELECTIONS. Unless otherwise exempt, if this City Loan Agreement is valued at \$100,000.00 or more and requires approval by an elected City office, Borrower, Borrower's principals, and Borrower's Subcontractors expected to receive at least \$100,000.00 for performance under the City Loan Agreement, and the principals of those Subcontractors (the "Restricted Persons") shall comply with Charter Section 470(c)(12) and LAMC Section 49.7.35. Failure to comply entitles the City to terminate this City Loan Agreement and to pursue all available legal remedies. Charter Section 470(c)(12) and LAMC Section 49.7.35 limit the ability of the Restricted Persons to make campaign contributions to and engage in fundraising for certain elected City officials or candidates for elected CITY office for twelve months after this City Loan Agreement is signed. Additionally, a Borrower subject to Charter Section 470(c)(12) is required to comply with disclosure requirements by submitting a completed and signed Ethics Commission Form 55 and to amend the information in that form as specified by law. Any Borrower subject to Charter Section 470(c)(12) shall include the following notice in any contract with any Subcontractor expected to receive at least \$100,000.00 for performance under this Contract:

"Notice Regarding Restrictions on Campaign Contributions and Fundraising in City Elections You are a subcontractor on City of Los Angeles Contract #_____. Pursuant to the City of Los Angeles Charter Section 470(c)(12) and related ordinances, you and your principals are prohibited from making campaign contributions to and fundraising for certain elected City of Los Angeles ("CITY") officials and candidates for elected City office for twelve months after the City Loan Agreement is signed. You are required to provide the names and contact information of your principals to the Borrower and to amend that information within ten business days if it changes during the twelve month time period. Failure to comply may result in termination of this City Loan Agreement and any other available legal remedies. Information about the restrictions may be found online at ethics.lacity.org or by calling the Los Angeles City Ethics Commission at (213) 978-1960."

6.13 USE OF CRIMINAL HISTORY FOR CONSIDERATION OF EMPLOYMENT APPLICATIONS. Borrower shall comply with the City Contractors' Use of Criminal History for Consideration of Employment Applications Ordinance, LAAC Section 10.48 et seq., as amended from time to time. Any subcontract entered into by Borrower for work to be performed under this City Loan Agreement must include an identical provision.

6.14 LIMITATION OF CITY'S OBLIGATION TO MAKE PAYMENT TO CONTRACTOR. Notwithstanding any other provision of this City Loan Agreement, including any exhibits or attachments incorporated therein, and in order for the City to comply with its governing legal requirements, the City shall have no obligation to make any payments to Borrower unless the shall have first made an appropriation of funds equal to or in excess of its obligation to make any payments as provided in this City Loan Agreement. Borrower agrees that any services provided by Borrower, purchases made by Borrower or expenses incurred by Borrower in excess of the appropriation(s) shall be free and without charge to the City and the City shall have no obligation to pay for the services, purchases or expenses. Borrower shall have no obligation to provide any services, provide any equipment or incur any expenses in excess of the appropriated amount(s) until the City appropriates additional funds for this City Loan Agreement.

6.15. COMPLIANCE WITH IDENTITY THEFT LAWS AND PAYMENT CARD DATA SECURITY STANDARDS. Borrower shall comply with all identity theft laws including without limitation, laws related to: (1) payment devices; (2) credit and debit card fraud; and (3) the Fair and Accurate Credit Transactions Act ("FACTA"), including its requirement relating to the content of transaction receipts provided to Customers. Borrower also shall comply with all requirements related to maintaining compliance with Payment Card Industry Data Security Standards ("PCI DSS"). During the performance of any service to install, program or update payment devices equipped to conduct credit or debit card transactions, including PCI DSS services, Borrower shall verify proper truncation of receipts in compliance with FACTA.

6.16. COMPLIANCE WITH CALIFORNIA PUBLIC RESOURCES CODE SECTION 5164. California Public Resources Code Section 5164 prohibits a public agency from hiring a person for employment or as a volunteer to perform services at any park, playground, or community center used for recreational purposes in a position that has supervisory or disciplinary authority over any minor, if the person has been convicted of certain crimes as referenced in the Penal Code, and articulated in California Public Resources Code Section 5164(a)(2).

If applicable, Borrower shall comply with California Public Resources Code Section 5164, and shall additionally adhere to all rules and regulations that have been adopted or that may be adopted by the City. Borrower is required to have all employees, volunteers and Subcontractors (including all employees and volunteers of any Subcontractor) of Borrower working on premises to pass a fingerprint and background check through the California Department of Justice at Borrower's sole expense, indicating that such individuals have never been convicted of certain crimes as referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2), if the individual will have supervisory or disciplinary authority over any minor.

6.17. POSSESSORY INTERESTS TAX. Rights granted to Borrower by the City may create a possessory interest. Borrower agrees that any possessory interest created may be subject to California Revenue and Taxation Code Section 107.6 and a property tax may be levied on that possessory interest. If applicable, Borrower shall pay the property tax. Borrower acknowledges that the notice required under California Revenue and Taxation Code Section 107.6 has been provided.

6.18. CONFIDENTIALITY. All documents, information and materials provided to Borrower by the City or developed by Borrower pursuant to this City Loan Agreement (collectively "Confidential Information") are confidential. Borrower shall not provide or disclose any Confidential Information or their contents or any information therein, either orally or in writing, to any person or entity, except as authorized by the or as required by law. Borrower shall immediately notify the City of any attempt by a third party to obtain access to any Confidential Information. This provision will survive expiration or termination of this City Loan Agreement.

6.19 OWNERSHIP AND LICENSE. Unless otherwise provided for herein, all finished and unfinished works, tangible or not, created under this City Loan Agreement including, without limitation, documents, materials, data, reports, manuals, specifications, artwork, drawings, sketches, blueprints, studies, memoranda, computation sheets, computer programs and databases, schematics, photographs, video and audiovisual recordings, sound recordings, marks, logos, graphic designs, notes, websites, domain names, inventions, processes, formulas, matters and combinations thereof, and all forms of intellectual property originated and prepared by CONTRACTOR or its Subcontractors under this City Loan Agreement (each a "Work Product"; collectively "Work Products") shall be and remain the exclusive property of the City for its use in any manner the City deems appropriate. Borrower hereby assigns to the City all goodwill, copyright, trademark, patent, trade secret and all other intellectual property rights worldwide in any Work Products

originated and prepared under this City Loan Agreement. Borrower further agrees to execute any documents necessary for the City to perfect, memorialize, or record the City's ownership of rights provided herein. Borrower agrees that a monetary remedy for breach of this City Loan Agreement may be inadequate, impracticable, or difficult to prove and that a breach may cause the City irreparable harm. The City may therefore enforce this requirement by seeking injunctive relief and specific performance, without any necessity of showing actual damage or irreparable harm. Seeking injunctive relief or specific performance does not preclude the City from seeking or obtaining any other relief to which the City may be entitled. For all Work Products delivered to the City that are not originated or prepared by the Borrower or its Subcontractors under this City Loan Agreement, Borrower shall secure a grant, at no cost to the City, for a non-exclusive perpetual license to use such Work Products for any City purposes. Borrower shall not provide or disclose any Work Product to any third party without prior written consent of the City. Any subcontract entered into by Borrower relating to this City Loan Agreement shall include this provision to contractually bind its Subcontractors performing work under this City Loan Agreement such that City's ownership and license rights of all Work Products are preserved and protected as intended herein.

6.20 DATA PROTECTION. [If applicable]

A. Borrower shall protect, using the most secure means and technology that is commercially available, any City-provided data or consumer-provided data acquired in the course and scope of this City Loan Agreement, including but not limited to customer lists and customer credit card or consumer data, (collectively, the "City Data"). Borrower shall notify the City in writing as soon as reasonably feasible, and in any event within twenty-four hours, of Borrower's discovery or reasonable belief of any unauthorized access of City Data (a "Data Breach"), or of any incident affecting, or potentially affecting City Data related to cyber security (a "Security Incident"), including, but not limited to, denial of service attack, and system outage, instability or degradation due to computer malware or virus. Borrower shall begin remediation immediately. Borrower shall provide daily updates, or more frequently if required by the City, regarding findings and actions performed by the Borrower until the Data Breach or Security Incident has been effectively resolved to the City's satisfaction. Borrower shall conduct an investigation of the Data Breach or Security Incident and shall share the report of the investigation with the City. At City's sole discretion, the City and its authorized agents shall have the right to lead or participate in the investigation. Borrower shall cooperate fully with the City, its agents and law enforcement.

B. If the City is subject to liability for any Data Breach or Security Incident, then Borrower shall fully indemnify and hold the City harmless and defend against any resulting actions.

6.21 BEST TERMS. Throughout the term of this City Loan Agreement, Borrower shall offer the City, the best terms, prices and discounts that are offered to any of Borrower's customers, for similar goods and services provided, if any, under this City Loan Agreement.

6.22 INDEPENDENT CONTRACTOR. Borrower is an independent contractor and not an agent or employee of the City. Borrower shall not represent or otherwise hold out itself or any of its directors, officers, partners, employees or agents to be an agent or employee of the City.

ARTICLE 7. INDEMNITY AND INSURANCE

7.1 INSURANCE COVERAGE. During the term of this City Loan Agreement and without limiting Borrower's obligation to indemnify, hold harmless and defend the City, Borrower shall provide and maintain at its own expense a program of insurance having the coverages and limits not less than the required amounts and types as determined by the Office of the City Administrative Officer of Los Angeles, Risk Management. The insurance must: (1) conform to the City's requirements; (2) comply with the Insurance Contractual Requirements (Form General 146 attached as Exhibit "O" hereto); and (3) otherwise be in a form acceptable to the Office of the City Administrative Officer, Risk Management. Borrower shall comply with all Insurance Contractual Requirements shown on Exhibit "O" hereto, which hereby incorporated by reference and made a part of this City Loan Agreement.

7.2 INSURANCE ADVANCES. In the event Borrower fails to maintain the full insurance coverage required by this City Loan Agreement, Lender, after at least seven (7) business days prior notice to Borrower, may, but shall be under no obligation to, take out the required policies of insurance and pay the premiums on such policies. Any amount so advanced by Lender, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the City Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Borrower to Lender and shall be secured by the City Deed of Trust.

7.3 NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS. Lender shall not be personally liable to Borrower for any obligation created under the terms of these City Loan Documents except in the case of actual fraud or willful misconduct by such person.

7.4 INDEMNIFICATION. Except for the active negligence or willful misconduct of the City, or any of its boards, officers, agents, employees, assigns and successors in interest, Borrower shall defend, indemnify and hold harmless the City and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Borrower's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of an act, error, or omission by the Borrower, its contractors or subcontractors, or their boards, officers, agents, employees, assigns, and successors in interest. The rights and remedies of the City provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this City Loan Agreement. This provision will survive expiration or termination of this City Loan Agreement.

7.5 INTELLECTUAL PROPERTY INDEMNIFICATION. [If applicable] Borrower, at its own expense, shall defend, indemnify, and hold harmless the City, and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature arising out of the infringement, actual or alleged, direct or contributory, of any intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity, and proprietary information: (1) on or in any design, medium, matter, article, process, method, application, equipment, device, instrumentation, software, hardware, or firmware used by the Borrower, or its Subcontractors, in performing the work under this City Loan Agreement; or (2) as a result of the City's actual or intended use of any Work Product (as defined in PSC-21) furnished by the Borrower, or its Subcontractors, under this City Loan Agreement. The rights and remedies of the City provided in this section shall not be exclusive and are in addition to any other rights and remedies

provided by law or under this City Loan Agreement. This provision will survive expiration or termination of this City Loan Agreement.

7.6 INTELLECTUAL PROPERTY WARRANTY. Borrower represents and warrants that its performance of all obligations under this City Loan Agreement does not infringe in any way, directly or contributorily, upon any third party's intellectual property rights, including, without limitation, patent, copyright, trademark, trade secret, right of publicity and proprietary information.

7.7 BORROWER'S INSURANCE REQUIREMENTS.

As a precondition to making the City Loan, Borrower shall obtain the following insurance coverage, and shall maintain such coverage in full force and effect during construction of the Project. Before disbursement of the City Loan and issuance of a Notice to Proceed, Borrower shall deliver to Lender certificate(s) of insurance, or a binder followed within thirty (30) days by a certificate of insurance, evidencing the required coverage.

A. General Conditions

During the term of this City Loan Agreement and without limiting the Borrower's indemnification of the City, the Borrower shall provide and maintain at its own expense insurance having the limits customarily carried and actually arranged by the Borrower but not less than the amounts and types listed in Exhibit "O" of this City Loan Agreement. All insurance shall be subject to the following conditions:

1. Additional Insured/Loss Payee

The City, its boards, officers, agents and employees shall be included as additional insureds in all liability insurance policies except: Workers' Compensation/Employer's Liability and second-party Legal Liability coverages and Owners and Contractors Protective Liability, in which latter case the City shall be the named insured. The City shall be named loss payee as its interest may appear in all required property, fidelity or surety coverages.

2. Insurance Requirements

All insurance required hereunder shall conform to City requirements established by charter, ordinance or policy and shall be filed with the City Attorney for its review in accordance with Los Angeles Administrative Code Sections 11.47 through 11.56.

During the period of construction, Borrower must obtain or cause to be obtained a builder's risk or equivalent policy covering damage or loss up to the value of labor and materials and naming the City as loss payee as its interests may appear.

After completion of the Project, Borrower must cause to be issued a physical damage insurance policy covering the replacement value of the Property as mutually agreed between Borrower and insurer with a lender's loss payable endorsement listing the City and Borrower as the loss payee as their interests may appear. This policy must remain in effect throughout the term of the City Loan.

3. Primary Insurance

Such insurance shall be primary with respect to any insurance maintained by City and shall not call on the City's insurance for contributions.

4. Admitted Carrier/Licensed California Broker

Such insurance shall be obtained from brokers or carriers authorized to transact insurance business in California and approved by the City.

5. 30-Day Notice

With respect to the interests of City, such insurance shall not be canceled, or materially reduced in coverage or limits, or non-renewed except after thirty (30) days written notice by receipted delivery (e.g. certified mail - return receipt, courier or telegram) has been given to the Office of the City Attorney,

Insurance & Bonds, 1800 City Hall East, 200 North Main Street, Los Angeles, CA 90012-4168 or to the Office of the City Attorney in care of the City Administrative Officer, Risk Management Section, 300 City Hall East, Los Angeles CA 90012-4190, Attention: Insurance and Bonds; with a copy to Homeownership, HCID, 1200 W. 7th Street, 8th Floor, Los Angeles, CA 90017).

6. Prior Approval

Evidence of insurance shall be submitted to and approved by the City Attorney prior to the disbursement of the City Loan pursuant to this City Loan Agreement.

7. Acceptable Evidence

The appropriate City special endorsement forms are the preferred form of evidence of insurance. Alternatively, Borrower may submit two (2) certified copies of the full policy or other evidence acceptable to the City Attorney containing language which complies with subparagraphs (1) through (6) above. With respect to professional liability insurance, either a signed copy of the policy declaration page or a letter from Borrower's insurance broker certifying coverage, together with a 30-day cancellation notice endorsement in favor of the City as specified in subparagraph (5) of this section will satisfy this requirement.

8. Severability of Interest

Except with respect to the insurance company's limits of liability, each liability insurance policy shall apply separately to each insured against whom claim or suit is brought. The inclusion of any person or organization, as an insured, shall not affect any right which such person or organization would have as a claimant if not so included.

9. Renewal

Once the insurance has been approved by the City, evidence of renewal of an expiring policy may be submitted on a manually signed certificate of insurance. If the policy or carrier has changed, however, new evidence as specified in paragraphs (1) through (8) above, must be submitted.

10. Proceeds

All proceeds of insurance with respect to loss or damage to the Improvements during the term of the City Loan shall be payable, under the provisions of the policy of insurance, jointly to the Borrower, the construction lender(s), if any, and the City, and said proceeds shall constitute a trust fund to be used for the restoration, repair or rebuilding of the Improvements in accordance with plans and specifications approved in writing by the City. To the extent that such proceeds exceed the cost of such restoration, repair or rebuilding, such proceeds shall be applied first to repay the construction lenders and second to repay the City Loan. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Improvements or any part thereof, the Borrower shall have the right to rebuild the Improvements, and to use all available insurance or condemnation proceeds therefore, provided that: (a) such proceeds are sufficient to keep the City Loan in balance and rebuild the Improvements in a manner that provides adequate security to the City for repayment of the City Loan or if such proceeds are insufficient then the Borrower shall have funded any deficiency, (b) the City shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the City Loan. If the casualty or condemnation affects only part of the Improvements and total rebuilding is

infeasible, then proceeds may be used for partial rebuilding and partial repayment of the City Loan in a manner that provides adequate security to the City for repayment of the remaining balance of the City Loan(s).

B. Worker's Compensation

By signing this City Loan Agreement, the Borrower hereby certifies that it is aware of the provisions of Section 3700, et seq., of the Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that code, and that it will comply and require the subcontractors to comply with such provisions before commencing the performance of the work of this City Loan Agreement.

C. Aggregate Limits/Blanket Coverage

If any of the required insurance coverages contain aggregate limits, or apply to other operations or tenancy of the Borrower not related to this City Loan Agreement, the Borrower shall give the City prompt, written notice of any incident, occurrence, claim, settlement or judgment against such insurance which in Borrower's best judgment may diminish the protection such insurance affords City. Further, Borrower shall immediately take all reasonable and available steps to restore such aggregate limits or shall provide other insurance protection for such aggregate limits. The City may specify a minimum acceptable aggregate for each line of coverage required.

D. Modification of Coverage

Upon advice from the City Risk Manager, the City reserves the right at any time during the term of this City Loan Agreement to change the amounts and types of insurance required hereunder by giving the Borrower forty-five (45) days advance written notice of such change. If such change should result in substantial additional cost to Borrower, the City agrees to negotiate additional compensation proportional to the increased benefit to the City.

E. Failure to Procure Insurance

The required coverages and limits are subject to availability on the open market at reasonable cost as determined by the City. Non-availability or non-affordability must be documented by a letter from Borrower's insurance broker or agent indicating a good faith effort to place the required insurance and showing as a minimum the names of the insurance carriers and the declinations or quotations received from each.

Within the foregoing constraints, Borrower's failure to procure or maintain required insurance during the entire term of this City Loan Agreement shall constitute a material breach of this City Loan Agreement under which the City may immediately suspend or terminate this City Loan Agreement or, at its discretion, procure or renew such insurance to protect the City's interests and pay any and all premiums in connection therewith, and all monies so paid by the City shall be repaid by the Borrower to the City upon demand or it may offset the cost of the premiums against any monies due to the Borrower from the City.

F. Underlying Insurance

Borrower shall be responsible for requiring indemnification and insurance as it deems appropriate from its employees receiving mileage allowance and from its consultants, agents and subcontractors, if any, to protect Borrower's and City's interests and for ensuring that such persons comply with any applicable insurance statutes. Borrower is encouraged to seek professional advice in this regard.

G. Owner's Title Insurance.

Borrower may choose to purchase owner's title insurance, insuring its interest in the Property, on or after the Closing Date. All costs, charges, and premiums associated with such title insurance shall be paid solely by Borrower.

ARTICLE 8. ENVIRONMENTAL COMPLIANCE

8.1 REPRESENTATIONS AND WARRANTIES. After reasonable investigation and inquiry, Borrower hereby represents and warrants to the best of its knowledge, as of the date of this City Loan Agreement and except as previously disclosed and acknowledged in writing by Lender or as disclosed by the reports based on environmental audit(s) performed on the Property and submitted to Lender, that (a) the Property is not and has not been a site for the use, generation, manufacture, transportation, storage, or disposal of Hazardous Materials in violation of Federal or State law; (b) the Property is in compliance with all applicable environmental and health and safety laws, regulations, ordinances, administrative decisions, common law decisions (whether federal, state, or local) with respect to Hazardous Materials, including those relating to federal lead-based paint regulations, and soil and groundwater conditions ("Hazardous Materials Laws"); (c) there are no claims or actions pending or threatened with respect to the Property by any governmental entity or agency or any other person relating to Hazardous Materials; and (d) there has been no release or threatened release of any Hazardous Materials on, under, or near the Property (including in the soil, surface water, or groundwater under the Property) or any other occurrences or conditions on the Property or on any other real property that could cause the Property or any part thereof to be classified as a "hazardous waste property" or as a "border zone property" under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

8.2 NOTIFICATION TO LENDER. Borrower shall immediately notify Lender in writing of: (a) the discovery of any concentration or amount of Hazardous Materials on or under the Property requiring notice to be given to any governmental entity or agency under Hazardous Materials Laws; (b) any knowledge by Borrower (after verification of the veracity of such knowledge to Borrower's reasonable satisfaction) that the Property does not comply with any Hazardous Materials Laws; (c) the receipt by Borrower of written notice of any Hazardous Materials claims; and (d) the discovery by Borrower of any occurrence or condition on the Property or on any real property located within 2,000 feet of the Property that could cause the Property or any part thereof to be designated as a "hazardous waste property" or as a "border zone property" under California Health and Safety Code Sections 25220, et seq., or regulations adopted therewith.

8.3 USE AND OPERATION OF PROPERTY. Neither Borrower, nor any agent, employee, or contractor of Borrower, nor any authorized user of the Property shall use the Property or allow the Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. Borrower shall comply and cause the Project to comply with Hazardous Materials Laws.

8.4 COMPLIANCE WITH ENVIRONMENTAL STANDARDS. Borrower shall comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 USC §1451 *et seq.*); (f) conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the clean Air Act of 1955, as amended (42 USC §7401 *et seq.*); protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205); (i) Flood Disaster Protection Act of 1973 §102(a) (P.L. 93-234); and (j) §508 of the Clean Water Act (38USC 1368).

8.5 REMEDIAL ACTIONS. If Borrower has actual knowledge of the presence of any Hazardous Materials on or under the Property, Borrower shall take or cause its tenant to take, at no cost or expense to Lender, all handling, treatment, removal, storage, decontamination, cleanup, transport, disposal or other remedial action, if any, required by any Hazardous Materials Laws or by any orders or requests of any governmental entity or agency or any judgment, consent decree, settlement or compromise with respect to any Hazardous Materials claims. The foregoing, however, shall be subject to Borrower's right of contest below.

8.6 RIGHT OF CONTEST. Borrower may contest in good faith any claim, demand, levy or assessment under Hazardous Materials Laws if: (a) the contest is based on a material question of law or fact raised by Borrower in good faith, (b) Borrower promptly commences and thereafter diligently pursues the contest, (c) the contest will not materially impair the taking of any remedial action with respect to such claim, demand, levy or assessment, and (d) if requested by Lender, Borrower deposits with Lender any funds or other forms of assurance Lender in good faith from time to time determines appropriate to protect Lender from the consequences of

the contest being unsuccessful and any remedial action then reasonably necessary. No Event of Default shall be deemed to exist with respect to any claim, demand, levy or attachment being contested by Borrower under the conditions of this section.

8.7 ENVIRONMENTAL INDEMNITY. Borrower shall defend, indemnify, and hold Lender free and harmless against any claims, demands, administrative actions, litigation, liabilities, losses, damages, response costs, and penalties, including all costs of legal proceedings and reasonable attorney's fees, that Lender may directly or indirectly sustain or suffer as a consequence of any inaccuracy or breach of any representation, warranty, agreement, or covenant contained in this City Loan Agreement with respect to Hazardous Materials, or as a consequence of any use, generation, manufacture, storage, release, or disposal (whether or not Borrower knew of same) of any Hazardous Materials occurring prior to or during Borrower's use or occupancy of the Property.

ARTICLE 9. DEFAULT AND REMEDIES

9.1 EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an "Event of Default" under this City Loan Agreement:

- A. Monetary. (1) Borrower's failure to pay when due any sums payable under the City Note or any advances made by Lender under the City Deed of Trust; (2) Borrower's or any agent of Borrower's use of City Loan funds for costs other than eligible costs (See Exhibit "E") or for uses inconsistent with other terms and restrictions in the City Loan Documents; (3) Borrower's failure to obtain and maintain the insurance coverage required under this City Loan Agreement; (4) Borrower's or any agent of Borrower's failure to make any other payment or assessment due under the City Loan Documents;
- B. Construction. (1) Borrower's substantial deviation in the work of construction specified in the Plans and Specifications submitted to Lender, without Lender's prior written consent; (2) Borrower's use of defective or unauthorized materials or defective workmanship in constructing the Project; (3) Borrower's failure to commence or complete construction, without proper justification under the excusable delay provision of this City Loan Agreement, according to the construction schedule specified in this City Loan Agreement; (4) the

cessation of construction prior to completion of the Project for a period of more than twenty (20) continuous calendar days without proper justification; (5) any material adverse change in the condition of Borrower or the Project or any other event that gives Lender reasonable cause to believe that the Project cannot be constructed by the scheduled completion date according to the terms of this City Loan Agreement; (6) the filing of any claim of lien against the Property or service on Lender of any stop notice relating to the City Loan and the continuance of the claim of lien or stop notice for thirty (30) days after such filing or service without payment, discharge, or satisfaction as provided for in this City Loan Agreement; (7) Borrower's failure to remedy any deficiencies in recordkeeping or failure to provide records to Lender upon Lender's request; (8) Borrower's failure to substantially comply with any applicable federal, state, or local laws or Lender policies governing construction, including but not limited to provisions of this City Loan Agreement pertaining to prevailing wages, affirmative action and equal employment opportunity, minority and women-owned business enterprises, disabled access, lead paint, and Hazardous Materials;

- C. Operation. (1) discrimination by Borrower or Borrower's agent on the basis of characteristics prohibited by this City Loan Agreement or applicable law; (2) the imposition of any encumbrances or liens on the Property without Lender's prior written approval that are prohibited under this City Loan Agreement or that have the effect of reducing the priority of or invalidating the City Deed of Trust; (3) any material adverse change in the condition of Borrower or the Project or funding for the Project that gives Lender reasonable cause to believe that the Project cannot be constructed and sold according the terms of the City Loan Documents;
- D. General performance of City Loan obligations. Any substantial or continuous breach by Borrower or Borrower's agents of any material obligations on Borrower imposed in the City Loan Documents;
- E. General performance of other obligations. Any substantial or continuous breach by Borrower or Borrower's agents of any material obligations on

Borrower imposed by any other agreements with respect to the financing, development, or operation of the Project or the Property, whether or not Lender is a party to such agreement;

- F. Representations and warranties. A determination by Lender that any of Borrower's representations or warranties made in the City Loan Documents, any statements made to Lender by Borrower, or any certificates, documents, or schedules supplied to Lender by Borrower were untrue in any material respect when made, or that Borrower concealed or failed to disclose a material fact from Lender;
- G. Damage to Property. Material damage or destruction to the Property by fire or other casualty, if Borrower does not take steps to reconstruct the Property as required herein;
- H. Bankruptcy, dissolution, and insolvency. Borrower's filing for bankruptcy, dissolution, or reorganization, or failure to obtain a full dismissal of any such involuntary filing brought by another party before the earlier of final relief or sixty (60) days after the filing; 2) making a general assignment for the benefit of creditors; 3) applying for the appointment of a receiver, trustee, custodian, or liquidator, or failure to obtain a full dismissal of any such involuntary application brought by another party before the earlier of final relief or sixty (60) days after the filing; 4) insolvency; 5) failure, inability or admission in writing of its inability to pay its debts as they become due.

9.2 NOTICE OF DEFAULT AND OPPORTUNITY TO CURE. For non-monetary Events of Default, Lender shall give written notice to Borrower or Borrower's agent of any Event of Default by specifying: (A) the nature of the event or deficiency giving rise to the Default, (B) the action required to cure the deficiency, if an action to cure is possible, and (C) a date, which shall not be less than thirty (30) calendar days from the mailing of the notice, by which such action to cure must be taken.

9.3 LENDER'S REMEDIES. Upon the happening of an Event of Default and a failure to cure said Default within the time specified in the notice of default (if an action to cure is specified in said notice), Lender's obligation to disburse City Loan proceeds shall terminate, and Lender may also, in addition to

other rights and remedies permitted by the City Loan Documents or applicable law, proceed with any or all of the following remedies in any order or combination Lender may choose in its sole discretion:

- A. Terminate this City Loan Agreement, in which event the entire principal amount outstanding and all accrued interest under the City Note, as well as any other monies advanced to Borrower by Lender under the City Loan Documents including administrative costs, shall immediately become due and payable at the option of Lender;
- B. Bring an action in equitable relief: (1) seeking the specific performance by Borrower of the terms and conditions of the City Loan Documents, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief;
- C. Enforce the Power of Termination in the Grant Deed (Exhibit "P");
- D. Accelerate the City Loan, and demand immediate full payment of the principal amount outstanding and all accrued interest under the City Note, as well as any other monies advanced to Borrower by Lender under the City Loan Documents;
- E. Enter the Property and take any actions necessary in its judgment to complete construction of the Project, including without limitation: (1) making changes in the Plans and Specifications or other work or materials with respect to the Project, (2) entering into, modifying, or terminating any contractual arrangements (subject to Lender's right at any time to discontinue work without liability), and (3) taking any remedial actions with respect to Hazardous Materials that Lender deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy;
- F. Seek appointment from a court of competent jurisdiction of a receiver with the authority to complete construction as needed to preserve Lender's interest in seeing the Project developed in a timely manner (including the authority to take any remedial actions with respect to Hazardous Materials that Lender or the receiver deems necessary to comply with Hazardous Materials Laws or to render the Property suitable for occupancy);

- G. Order immediate stoppage of construction and demand that any condition leading to the Event of Default be corrected before construction may continue;
- H. Enter upon, take possession of, and manage the Property, either in person, by agent, or by a receiver appointed by a court, and collect rents and other amounts specified in the assignment of rents in the City Deed of Trust and apply them to operate the Property or to pay off the City Loan or any advances made under the City Loan Documents, as provided for by the City Deed of Trust;
- I. Initiate and pursue any private and/or judicial foreclosure action allowed under applicable law and the power of sale provision in the City Deed of Trust;
- J. With respect to defaults under Hazardous Materials provisions herein, pursue the rights and remedies permitted under California Civil Code Section 2929.5, and California Code of Civil Procedure Sections 564, 726.5, and 736;
- K. Pursue any other remedy allowed at law or in equity. Nothing in this section is intended or shall be construed as precluding Lender from proceeding with a non-judicial foreclosure under the power of sale contained in the City Deed of Trust in the Event of Default by Borrower.

9.4 BORROWER'S REMEDIES. Upon the fault or failure of Lender to meet any of its obligations under the City Loan Documents, Borrower may perform any or all of the following:

- A. Demand payment from Lender of any sums due Borrower;
- B. Bring an action in equitable relief seeking the specific performance by Lender of the terms and conditions of the City Loan Documents;
- C. Pursue any other remedy allowed at law or in equity.

9.5 REMEDIES AVAILABLE TO BOTH PARTIES. Except for excusable delays, if any party fails to perform, in whole or part, any promise, covenant or agreement set forth herein, or should any representation made by it be untrue, any aggrieved party may avail itself of all rights and remedies, at law or equity, in the courts of law. Said rights and remedies are cumulative of those provided herein except that in no event shall any party recover more than once, suffer a penalty or a forfeiture or be unjustly compensated.

9.6 SURVIVAL. Upon termination of this City Loan Agreement, the following provisions of this Agreement shall survive: The City's power of termination under the Grant Deed, if the termination of the Agreement precedes the date of which Borrower is entitled to issuance of Certificate of Occupancy or Certificate of Completion, if applicable, for the Project.

ARTICLE 10. GENERAL PROVISIONS

10.1 CONSTRUCTION OF PROVISIONS AND TITLES HEREIN. All titles, subtitles, or headings in this City Loan Agreement have been inserted for convenience, and shall not be deemed to affect the meaning or construction of any of the terms or provisions of this City Loan Agreement. The language of this City Loan Agreement shall be construed according to its fair meaning and not strictly for or against the City or Borrower. The word "Borrower" includes the party or parties identified in this City Loan Agreement. The singular shall include the plural and if there is more than one Borrower, unless expressly stated otherwise, their obligations and liabilities shall be joint and several. Use of the feminine, masculine, or neuter genders shall be deemed to include the genders not used.

10.2 APPLICABLE LAW, INTERPRETATION AND ENFORCEMENT. Each party's performance shall comply with all applicable laws of the United States of America, the State of California, and the City, including but not limited to, laws regarding health and safety, labor and employment, wage and hours and licensing. This City Loan Agreement shall be enforced and interpreted under the laws of the State of California without regard to conflict of law principles. Borrower shall comply with new, amended, or revised laws, regulations, or procedures that apply to the performance of this Contract with no additional compensation paid to Borrower. In any action arising out of this City Loan Agreement, Borrower consents to personal jurisdiction, and agrees to bring all such actions, exclusively in state or federal courts located in Los Angeles County, California. If any part, term or provision of this City Loan Agreement is held void, illegal, unenforceable, or in conflict with any federal, state or local law or regulation, the validity of the remaining parts, terms or provisions of this City Loan Agreement shall not be affected.

10.3 TIME OF EFFECTIVENESS. Unless otherwise provided, this City Loan Agreement shall take effect when all of the events have occurred:

- A. This City Loan Agreement has been signed on behalf of the Borrower by the person or persons authorized to bind the Borrower hereto;
- B. This City Loan Agreement has been approved by City Council or by the board, officer or employee authorized to give such approval;
- C. The Office of the City Attorney has indicated in writing its approval of this City Loan Agreement as to form;
- D. This City Loan Agreement has been signed on behalf of the City by the person designated by the City Council, or by the board, officer or employee authorized to enter into this City Loan Agreement;
- E. This City Loan Agreement has been executed by the City Clerk.

10.4 INTEGRATION. This City Loan Agreement sets forth all of the rights and duties of the parties with respect to the subject matter of this agreement and replaces any and all previous agreements or understandings whether written or oral, relating thereto. This City Loan Agreement may be amended as only provided for in Section 9.5 hereto.

10.5 AMENDMENTS AND MODIFICATIONS. Any amendments or modifications to this City Loan Agreement (which includes all Exhibits) shall be in writing and signed and approved pursuant to the provisions of Section 9.3.

10.6 EXCUSABLE DELAY IN PERFORMANCE. The time for performance of provisions of this City Loan Agreement by either party shall be extended for a period equal to the period of any delay directly affecting the Project or this City Loan Agreement which are the result of circumstances beyond the reasonable control of the parties. Circumstances deemed to be beyond the control of the parties hereunder include, but are not limited to: acts of God or of the public enemy; insurrection; acts of the Federal Government or any unit of State or Local Government in either sovereign or contractual capacity; fires; flood; earthquakes; epidemics, quarantine restrictions; strikes, freight embargos or delays in transportation, to the extent they are not caused by the party's willful or negligent act or omissions and to the extent they are beyond the party's reasonable control. An extension of time for any of the above-specified causes will be deemed granted only if written notice by the party claiming such extension is sent to the other party within ten (10) calendar days from the commencement of the cause, and such extension of time is either accepted by the other party in writing, or is not rejected in writing by the other party within ten (10) calendar days of receipt of the notice. In

any event, construction of the Project must be completed no later than ninety (90) calendar days after the scheduled completion date specified herein, any excusable delay notwithstanding. Times of performance under this City Loan Agreement may also be extended for any cause for any period of time by the mutual written agreement of Lender and Borrower.

10.7 WAIVER. Any waiver by Lender of any obligation in these City Loan Documents must be in writing. No waiver will be implied from any delay or failure by Lender to take action on any breach or default of Borrower or to pursue any remedy allowed under the City Loan Documents or applicable law. Any extension of time granted to Borrower to perform any obligation under the City Loan Documents shall not operate as a waiver or release from any of its obligations under the City Loan Documents. Consent by Lender to any act or omission by Borrower shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for Lender's written consent to future waivers. A party's performance after the other party's default shall not be construed as a waiver of that default.

10.8. SUSPENSION. At the City's sole discretion, the City may suspend any or all services, if any, provided under this City Loan Agreement by providing Borrower with written notice of suspension. Upon receipt of the notice of suspension, Borrower shall immediately cease the services suspended and shall not incur any additional obligations, costs or expenses to the City until the City gives written notice to recommence the services.

10.9 TERMINATION.

A. Termination for Convenience

The City may terminate this City Loan Agreement for City's convenience at any time by providing Borrower thirty days written notice. Upon receipt of the notice of termination, the Borrower shall immediately take action not to incur any additional obligations, costs or expenses, except as may be necessary to terminate its activities. The City shall pay Borrower its reasonable and allowable costs through the effective date of termination and those reasonable and necessary costs incurred by the Borrower to effect the termination. Thereafter, the Borrower shall have no further claims against the City under this City Loan Agreement. All finished and unfinished documents and materials procured for or produced under this City Loan Agreement, including all intellectual property rights the City is entitled to, if applicable, shall become the City's property upon the date of the termination. The Borrower agrees to execute any documents necessary

for the City to perfect, memorialize, or record the City's ownership of rights provided herein.

B. Termination for Breach of Contract

1. Except as provided in Section 10.6, if Borrower fails to perform any of the provisions of this City Loan Agreement or so fails to make progress as to endanger timely performance of this City Loan Agreement, the City may give Borrower written notice of the default. The City's default notice will indicate whether the default may be cured and the time period to cure the default to the sole satisfaction of the City. Additionally, the City's default notice may offer the City an opportunity to provide the City with a plan to cure the default, which shall be submitted to City within the time period allowed by City. At City's sole discretion, the City may accept or reject the Borrower's plan. If the default cannot be cured or if Borrower fails to cure within the period allowed by the City, then the City may terminate this City Loan Agreement due to Borrower's breach of this City Loan Agreement.

2. If the default under this City Loan Agreement is due to Borrower's failure to maintain the insurance required under this City Loan Agreement, Borrower shall immediately: (1) suspend performance of any services under this City Loan Agreement for which insurance was required; and (2) notify its employees and Subcontractors of the loss of insurance coverage and Borrower's obligation to suspend performance of STANDARD PROVISIONS FOR CITY CONTRACTS (Rev. 10/17) [v.3] 4 services. Borrower shall not recommence performance until Borrower is fully insured and in compliance with the City's requirements.

3. If a federal or state proceeding for relief of debtors is undertaken by or against Borrower, or if Borrower makes an assignment for the benefit of creditors, then the City may immediately terminate this City Loan Agreement.

4. If the Borrower engages in any dishonest conduct related to the performance or administration of this City Loan Agreement or violates the City's laws, regulations or policies relating to lobbying, then the City may immediately terminate this City Loan Agreement.

5. Acts of Moral Turpitude

a. Borrower shall immediately notify the City if Borrower or any Key Person, as defined below, is charged with, indicted for, convicted of, pleads nolo contendere to, or forfeits bail

or fails to appear in court for a hearing related to, any act which constitutes an offense involving moral turpitude under federal, state, or local laws ("Act of Moral Turpitude").

b. If Borrower or a Key Person is convicted of, pleads nolo contendere to, or forfeits bail or fails to appear in court for a hearing related to, an Act of Moral Turpitude, the City may immediately terminate this City Loan Agreement.

c. If Borrower or a Key Person is charged with or indicted for an Act of Moral Turpitude, the City may terminate this City Loan Agreement after providing Borrower R an opportunity to present evidence of Borrower's ability to perform under the terms of this City Loan Agreement.

d. Acts of Moral Turpitude include, but are not limited to: violent felonies as defined by Penal Code Section 667.5, crimes involving weapons, crimes resulting in serious bodily injury or death, serious felonies as defined by Penal Code Section 1192.7, and those crimes referenced in the Penal Code and articulated in California Public Resources Code Section 5164(a)(2); in addition to and including acts of murder, rape, sexual assault, robbery, kidnapping, human trafficking, pimping, voluntary manslaughter, aggravated assault, assault on a peace officer, mayhem, fraud, domestic abuse, elderly abuse, and child abuse, regardless of whether such acts are punishable by felony or misdemeanor conviction. STANDARD PROVISIONS FOR CITY CONTRACTS (Rev. 10/17) [v.3] 5

e. For the purposes of this provision, a Key Person is a principal, officer, or employee assigned to this City Loan Agreement, or owner (directly or indirectly, through one or more intermediaries) of ten percent or more of the voting power or equity interests of Borrower.

6. In the event the City terminates this City Loan Agreement as provided in this section, the City may procure, upon such terms and in the manner as the City may deem appropriate, services similar in scope and level of effort to those so terminated, and Borrower shall be liable to the City for all of its costs and damages, including, but not limited to, any excess costs for such services.

7. If, after notice of termination of this City Loan Agreement under the provisions of this section, it is determined for any reason that Borrower was not in default under the provisions of this section, or that the default was excusable under the terms of

this City Loan Agreement, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 10.9(A) Termination for Convenience.

8. The rights and remedies of the City provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this City Loan Agreement.

C. In the event that this City Loan Agreement is terminated, Borrower shall immediately notify all employees and Subcontractors, and shall notify in writing all other parties contracted with under the terms of this City Loan Agreement within five working days of the termination.

10.10 BORROWER'S WARRANTIES. Borrower represents and warrants: (A) that it has access to professional advice and support to the extent necessary to enable Borrower to fully comply with the terms of these City Loan Documents, and to otherwise carry out the Project and that the work performed hereunder shall be completed in a manner consistent with professional standards practiced among those firms within Borrower's profession, doing the same or similar work under the same or similar circumstances, (B) that it is duly organized, validly existing and in good standing under the laws of the State of California, (C) that it has the full power and authority to undertake the Project and to execute the City Loan Documents, (D) that the persons executing and delivering the City Loan Documents are authorized to execute and deliver such documents on behalf of Borrower and (E) that Borrower has performed the necessary predevelopment tasks to enable construction of the Project to be completed within thirty (30) months from the date of the Borrower's execution of the City Note.

10.11 PROJECT MONITORING AND EVALUATION. Except as otherwise provided for in this City Loan Agreement, Borrower shall maintain and submit records to Lender within ten (10) business days of Lender's request which clearly document Borrower's performance under each requirement of the City Loan Documents.

10.12 CONFLICTS OF INTEREST. Borrower covenants that none of its directors, officers, employees, or agents shall participate in selecting, or administering any of its subcontracts supported (in whole or in part) by Federal funds where such person is a director, officer, employee or agent of the subcontractor; or where such person knows or should have known that:

1. A member of such person's immediate family or domestic partner, or organization has a financial interest in the subcontract;

2. The subcontractor is someone with whom such person has or is negotiating any prospective employment; or
3. The participation of such persons would be prohibited by the California Political Reform Act, California Government Code Section 87100, et seq., if such person were a public officer, because such person would have a "financial or other interest" in the subcontract.
4. No members of the Board of Directors may be employed by the Contractor if the Contractor is a corporation.

A. Definitions

1. The term "immediate family" includes, but is not limited to domestic partner and/or those persons related by blood or marriage, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, son-in-law, and daughter-in-law, his or her significant other, and his or her domestic partner.
 2. The term "financial or other interest" includes but is not limited to:
 - a. Any direct or indirect financial interest in the specific contract, including a commission or fee, a share of the proceeds, prospect of a promotion or of future employment, a profit, or any other form of financial reward.
 - b. Any of the following interests in the subcontractor ownership: partnership interest or other beneficial interest of five percent (5%) or more; ownership of five percent (5%) or more of the stock; employment in a managerial capacity; or membership on the board of directors or governing body.
- B. For further clarification of the meaning of any of the terms used herein, the parties agree that references shall be made to the guidelines, rules, and laws of the City of Los Angeles, State of California, and Federal regulations regarding conflict of interest.
- C. Borrower further covenants that no officer, director, employee, or agent shall solicit or accept gratuities,

favours, anything of monetary value from an actual or potential subcontractor, supplier, a party to a sub-agreement (or persons who are otherwise in a position to benefit from the actions of any officer, employee or agent).

- D. Borrower shall not subcontract with a former director, officer, or employee within a one (1) year period following the termination of the relationship between said person and the contractor.
- E. Prior to obtaining the Lender's approval or any subcontract, the Borrower shall disclose to the Lender any relationship, financial or otherwise, direct or indirect, of the Borrower or any of its officers, directors or employees or their immediate family with the proposed subcontractor and its officers, directors or employees. In the event that such a relationship exists, Borrower shall obtain prior approval from Lender for any such subcontract.
- F. Borrower warrants that it has not paid or given and will not pay or give to any third person any money or other consideration for obtaining this Agreement.
- G. Borrower covenants that no member, officer or employee of Borrower shall have any interest, direct or indirect, in any contract or subcontract or the proceeds thereof for work to be performed in connection with this Project during his or her tenure as such employee, member or officer or for one (1) year thereafter.
- H. Borrower may not hire a person in an administrative capacity, staff position, or on-the-job training position with funds provided by this City Loan Agreement if a member of that person's immediate family is engaged in an administrative capacity for the Borrower. A person in an administrative capacity is a person who either has an overall administrative responsibility for a program, or has responsibility for the direction, hiring, or fiscal integrity of the Borrower's program.
- I. The Borrower shall incorporate the foregoing subsections of this section into every agreement that it enters into in connection with this Project.
- J. The above restrictions shall apply now and in the future to all activities that are a part of this City Loan Agreement and Project and shall cover any such interest or benefits during or at any time after such person's

tenure.

- K. Borrower shall comply with the conflict of interest provisions for the HOME and CDBG programs, if applicable.

This includes, but is not limited to, the provision that no owner, developer or sponsor of HOME assisted housing, including their officers, employees, agents, consultants or elected or appointed officials, may occupy a HOME-assisted unit in a development. If the household seeking to occupy the unit is a Low Income Household who would otherwise qualify for the unit, City will grant an exception on a case-by-case basis in accordance with federal regulations.

10.13 POLITICAL ACTIVITY. None of the funds, materials, property or services contributed by Lender or Borrower under this City Loan Agreement shall be used for any partisan political activity or the election or defeat of any candidate for public office.

10.14 PUBLICITY. Any publicity generated by Borrower for the Project during the term of this City Loan and for one (1) year thereafter shall make reference to the contribution of Lender in making the Project possible. The words "the City of Los Angeles" will be prominently displayed in any and all pieces of publicity, including but not limited to flyers, press releases, posters, signs, brochures, public service announcements, interviews, and newspaper articles. Lender's staff will be available whenever possible at the request of Borrower to assist Borrower in generating publicity for the Project. Borrower further agrees to cooperate with authorized staff and officials of Lender in any Lender-generated publicity or promotional activities undertaken with respect to the Project.

10.15 FALSE CLAIMS ACT. Borrower acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the City under the False Claims Act (California Government Code Section 12650, et seq.), including treble damages, cost of legal actions to recover payment and civil penalties of up to \$10,000.00 per false claim.

10.16 STATUTORY REFERENCES. All references in the City Loan Documents to particular statutes, regulations, ordinances, or resolutions of the United States, the State of California, or the City of Los Angeles shall be deemed to include the same statute, regulation, ordinance, or resolution as hereafter amended or renumbered, or if repealed, to such other provisions as may thereafter govern the same subject as the provision to which specific reference was made.

10.17 TIME. Time is of the essence in these City Loan Documents.

10.18 CONSENTS AND APPROVALS. Any consent or approval of Lender required under the City Loan Documents shall not be unreasonably withheld or unreasonably delayed.

10.19 NOTICES, DEMANDS AND COMMUNICATIONS. Formal notices, demands and communications between Borrower and Lender shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Borrower and Lender as follows:

LENDER: General Manager
Los Angeles Housing and Community Investment
Department
Post Office Box 532729
Los Angeles, CA 90013-1311
Ref:

Copy to:

Los Angeles Housing and Community Investment
Department
Post Office Box 532729
Los Angeles, CA 90013-1311
Attn: Home Ownership Unit

BORROWER: Habitat for Humanity
8739 Artesia Blvd
Bellflower, CA 90706
Attn: President

10.20 BINDING UPON SUCCESSORS. All provisions of these City Loan Documents shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this City Loan Agreement by Borrower without Lender's consent. The term "Borrower" as used in these City Loan Documents shall include all such assigns, successors-in-interest, and transferees.

10.21 RELATIONSHIP OF PARTIES. The relationship of Borrower and Lender for this Project is and at all times shall remain solely that of a debtor and a creditor, and shall not be construed as a joint venture, equity venture, partnership, or any other relationship. Borrower is not an agent or employee of the City and

shall not represent or otherwise hold itself out or any of its directors, officers, partners, employees or agents or be an agent or employee of the City. Lender neither undertakes nor assumes any responsibility or duty to Borrower (except as provided for herein) or any third party with respect to the Project, the Property, or the City Loan. Except as Lender may specify in writing, Borrower shall have no authority to act as an agent of Lender or to bind Lender to any obligation.

10.22 OTHER AGREEMENTS. Borrower and Lender each represents that it has not entered into any agreements that are inconsistent with the terms of the City Loan Documents. Borrower shall not enter into any agreements that are inconsistent with the terms of the City Loan Documents without an express waiver by Lender in writing.

10.23 SEVERABILITY. Every provision of this City Loan Agreement is intended to be severable. If any provision of this City Loan Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

10.24 NONRECOURSE. This City Loan is a nonrecourse obligation of Borrower. Neither Borrower nor any other party shall have any personal liability for repayment of this City Loan. The sole recourse of Lender for repayment of the principal and interest shall be the exercise of Lender's rights against the Property. However, nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement of all the rights and remedies of the Lender against all such security for the City Note, or (b) be deemed in any way to impair the right of the Lender to assert the unpaid principal amount of the City Note as demand for money within the meaning of the California Code of Civil Procedure.

The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the City Note; except nothing contained in the foregoing is intended to relieve the Borrower of personal liability for: (1) fraud or willful misrepresentation; (2) failure to pay taxes, assessments or other charges (which are not contested by Borrower in good faith) which may create liens on the Property that are payable or applicable prior to any foreclosure under the City Deed of Trust (to the full extent of such taxes, assessments or other charges); (3) the Borrower's indemnification obligations under the City Loan Agreement; (4) misappropriation of any rents, security deposits, insurance proceeds, condemnation awards or any other proceeds derived from the collateral security; and (5) payment to the Lender of any rental income or other income arising with respect to the Property received by the Borrower after the

Lender has given notice to the Borrower of the occurrence of an Event of Default, subject to the rights of any lender providing a loan secured by the Property to which the lender has subordinated to the City Deed of Trust.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF, the City and the Borrower have caused this Agreement to be executed by its duly authorized representatives.

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

By: _____
Deputy City Attorney

Date: _____, 2018

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____
Deputy City Clerk

Date: _____, 2018

(Corporate Seal)

Executed this _____ day of _____, 2018

FOR LENDER:

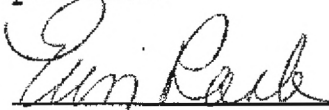
THE CITY OF LOS ANGELES
The Los Angeles Housing
and Community Investment
Department


By: _____
SEAN L. SPEAR
Its: Assistant General
Manager
Housing Development
Bureau

Executed this 31 day of
August, 2018

FOR BORROWER:

HABITAT FOR HUMANITY OF
GREATER LOS ANGELES,
a California
non-profit public benefit
corporation

By 
ERIN RANK
Its: President and CEO

By 
RAUL SALINAS
Its: Secretary

City Business License Number: _____

Internal Revenue Service ID Number: _____

Council File Number: _____

Date Council Adopted: _____

Said Agreement is Number _____ of City Contracts

EXHIBIT A
LEGAL DESCRIPTION

EXHIBIT "A"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

(RE-SALE RESTRICTED PROPERTY)

LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 5 OF TRACT NO. 4055, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGE 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB SAID PROPERTY WITHIN 500 FEET IN THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN DEED RECORDED NOVEMBER 6, 1992 AS INSTRUMENT NO. 92-2047803.

ASSESSOR'S IDENTIFICATION NUMBER: 6053-006-904

COMMON ADDRESS: 9513 South Spring Street, Los Angeles,
CA 90003

BORROWER: Habitat for Humanity of Greater Los Angeles, a California non-profit public benefit corporation

EXHIBIT B .
DEFINITIONS

EXHIBIT "B"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

DEFINITIONS

The following terms have the meanings and content set forth in this section wherever used in the City Loan Agreement, attached Exhibits, or documents incorporated into this City Loan Agreement by this reference.

1. "AREA MEDIAN INCOME" means the median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937. In the event these federal determinations of area median income are discontinued, the department shall establish and publish as regulations income limits for persons and families of median income for all geographic areas of the state at 100 percent of area median income, and for persons and families of low or moderate income for all geographic areas of the state at 120 percent of area median income. These income limits shall be adjusted for family size and shall be revised annually.

2. "BORROWER" is Habitat for Humanity of Greater Los Angeles, a California non-profit public benefit corporation and its authorized representatives, assigns, transferees, or successors-in-interest thereto.

3. "BUDGET" means that budget for the development of the Project attached as Exhibit "E" to this City Loan Agreement, which is hereby incorporated into this City Loan Agreement by this reference.

4. "CERTIFICATE OF OCCUPANCY" OR "CERTIFICATE OF COMPLETION" shall mean such certificate as shall be issued to the Borrower by the Los Angeles Department of Building and Safety following completion of the Project.

5. "CITY" means the City of Los Angeles, a municipal corporation.

6. "CITY DEED OF TRUST" is that deed of trust, assignment of rents, and security agreement placed on the Property as security for the City Loan by Borrower as trustor with Lender as beneficiary, as well as any amendments to, modifications of, and restatements of said deed of trust. The City Deed of Trust is attached as Exhibit "D" to this City Loan Agreement is hereby incorporated by this reference.

7. "CITY GRANT" refers to the City's grant of FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) which is the difference between the CITY LOAN and the fair market value of the Property. The City Grant is conditioned on the Borrower's compliance with the terms of the City Loan Agreement. In the event of a breach, as determined by the City, the Borrower shall be obligated to re-pay the City Grant along with the balance of the City Loan. The City Grant is evidenced by the City Note (Exhibit "C") and secured by the City Deed of Trust (Exhibit "D"); and

8. "CITY LOAN" refers to the Borrower's loan for payment of the fair reuse value of the Property (ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000) in accordance with the terms and conditions of this City Loan Agreement. Upon satisfaction of the conditions precedent set forth in Exhibit "G", the Property shall be transferred from the City to the Borrower and utilized by Borrower, in accordance with the terms and conditions of this City Loan Agreement.

9. "CITY LOAN AGREEMENT" means this City Loan Agreement entered into between Lender and Borrower.

10. "CITY LOAN DOCUMENTS" are collectively the City Loan Agreement, the City Deed of Trust, the City Note, the City Regulatory Agreement and any documents that may be executed in connection with the City Loan, as they may be amended, modified, or restated from time to time, along with all exhibits and attachments to these documents.

11. "CITY NOTE" is that promissory note in the amount of ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00) to secure the City Loan and FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) to secure the City Grant in the event of breach of the City Loan Agreement by the Borrower, as determined by the City) executed by Borrower in favor of Lender evidencing the City Loan, which is

secured by the City Deed of Trust, as well as any amendments to, modifications of, or restatements of said promissory note. The City Note is attached as Exhibit "C" to this City Loan Agreement is hereby incorporated by this reference.

12. "CITY REGULATORY AGREEMENT" means the agreement executed by Borrower and City, attached as Exhibit "M", and recorded against the Property prior to or contemporaneously with the City Loan which regulates the use of the Project and stipulates, among other things, that the Project shall be subject to re-sale restrictions for a minimum of thirty (30) years from the date of Certificate of Occupancy or Certificate of Completion, if applicable, is issued for the Project.

13. "CITY SOFT SECOND LOAN" refers to the soft second loan in the amount of (ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000)) that the City will make to the Eligible Household buyer of the completed Project in order to assist with the purchase of the Project. The City Soft Second Loan will be for a term of thirty (30) years at zero percent (0%) interest. Re-sale restrictions and shared appreciation provisions shall also apply as set forth in the City Regulatory Agreement (Exhibit "M").

14. "CITY SOFT SECOND LOAN DOCUMENTS" refers to loan agreement including but not limited to a promissory note secured by deed of trust with which shall be drafted by HCID and executed between the City and the Eligible Purchaser as a condition of Project sale.

15. "COMMENCEMENT OF CONSTRUCTION" means the time Borrower or Borrower's construction contractor begin substantial physical construction work on the Project at the Property, including site preparatory work, beyond maintenance of the Property in its status quo condition. Such work shall not include work related solely to remediation of Hazardous Materials.

16. "ELIGIBLE HOUSEHOLD" means a household that qualifies at or below "Moderate Income", whose eligibility has been certified by the Department. An Eligible Household must qualify for and accept a City Soft Second Loan to assist with the purchase of the Project.

17. "GRANT DEED" refers to the instrument attached as Exhibit "P" to the City Loan Agreement. The Grant Deed used to convey the Property from the City to the Borrower pursuant to the City Loan Agreement, shall contain the same provisions as set forth in Exhibit "P".

18. "HAZARDOUS MATERIALS" means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as "hazardous substances," "hazardous wastes," "hazardous materials," "pollutants," "contaminants," or "toxic substances," under federal or state environmental and health and safety laws and regulations, including without limitation petroleum and petroleum byproducts, flammable explosives, urea formaldehyde insulation, radioactive materials, asbestos, and lead. Hazardous Materials do not include substances that are used or consumed in the normal course of developing, operating, or occupying a housing project, to the extent and degree that such substances are stored, used, and disposed of in the manner and in amounts that are consistent with normal practice and legal standards.

19. "HCD" means the California Department of Housing and Community Development.

20. "HCID" means the Los Angeles Housing and Community Investment Department, a department of the City of Los Angeles.

21. "HOUSEHOLD INCOME" means the current gross amount of income of all adult household members that is anticipated to be received during the coming twelve (12)-month period, including the income of temporarily absentee family members, welfare assistance payments, and other such criteria determined in accordance with the definition of Annual Income found in 24 CFR 5.609, formerly referred to as the Section 8 definition of income.

22. "IMMEDIATE FAMILY" includes domestic partner and/or those persons related by blood, marriage and adoption, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, his or her significant other, and his or her domestic partner.

23. "INCOME ADJUSTMENT FACTOR" is used to establish the Maximum Purchase Price for the Project to be paid by an Eligible Household. The "Income Adjustment Factor" shall be the following figures based upon the corresponding number of persons in the household in the restricted Project, as periodically published by the U.S. Department of Housing and Urban Development ("HUD").

<u>Persons in Household</u>	<u>Income Adjustment Factor</u>
1	0.7
2	0.8
3	0.9
4	1.00
5	1.08
6	1.16
7	1.24
8	1.32

23. "JUNIOR ADU" refers to the 494 square foot, 1-bedroom, 1-bathroom accessory dwelling unit without parking. Borrower shall build on the Property and which along with the SFD, collectively makes up the Project.

24. "LENDER" is the City of Los Angeles, a municipal corporation and its authorized representatives, officers, officials, directors, employees, and agents.

25. "MAXIMUM SALES PRICE" means the maximum price to be paid by an Eligible Household for the purchase of the Project, which price, shall be determined by the Department on an annual basis as set forth in Exhibit "B" to the City Regulatory Agreement. Pursuant to California Health and Safety Code Section 50052.5, Maximum Purchase Price may not exceed the product of 35% times 110% of Area Median Income adjusted for family size appropriate for the Project ("adjusted for family size appropriate to the unit" shall mean for a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit).

26. "MODERATE INCOME HOUSEHOLD" means persons or families of Low or Moderate Income whose income exceeds the limit for Lower Income Households for Los Angeles County, by the California Department of Housing and Community Development ("HCD") established by the Department from time

to time to reflect updates of Area Median Income estimates, as set forth in Exhibit "B" to the City Regulatory Agreement.

27. "PROJECT" or "IMPROVEMENTS" refers to the affordable for-sale home-ownership project that Borrower shall develop and construct on the Property consisting of: (1) a 1,149 square foot, 3-bedroom, 2-bath single family home with a 457 square foot, 2-car garage ("SFD") and a 494 square foot, 1-bedroom, 1-bathroom junior accessory dwelling unit ("Junior ADU") without parking, to be collectively used by Eligible Household as a 4-bedroom, primary residence for the duration of their ownership. Both the SFD and Junior ADU shall include air-conditioning, an oven, a refrigerator, microwave, private backyard and drought tolerant plants with smart irrigation. The SFD shall be solar power ready and the garage shall be EV plug in ready with a 22 volt outlet installation. The SFD and the Junior ADU shall be surrounded by a 6 foot wooden fence. The SFD and the Junior ADU, are hereinafter sometimes collectively referred to as the "Project" or the "Improvements."

28. "PROPERTY" means that certain real property and the Project or Improvements to be situated thereon, located at and commonly known as 9513 South Spring Street, Los Angeles, CA 90003 in the City of Los Angeles, County of Los Angeles, State of California, which address is set forth in Section 1(a) hereof, and whose legal description is set forth in Exhibit "A."

29. "PURCHASE PRICE" refers to the sales price of the Property from the City to Habitat for Humanity of Greater Los Angeles, a California non-profit public benefit corporation, which is its fair reuse value of (ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS) (\$159,000.00).

30. "SFD" refers to the 1,149 square foot, 3-bedroom, 2-bath single family home with a 457 square foot, 2-car garage which along with the Junior ADU, collectively makes up the Project.

EXHIBIT C

CITY NOTE

EXHIBIT "C"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

PROMISSORY NOTE SECURED BY DEED OF TRUST
("City Note")

(RE-SALE RESTRICTED PROPERTY)

AMOUNT: \$159,000.00 (City Loan) and \$48,000.00 (City Grant)

DATE: _____, 2018

FOR VALUE RECEIVED, Habitat for Humanity of Greater Los Angeles, with its principal office at 8739 Artesia Blvd, Bellflower, CA 90706 ("Borrower") hereby promises to pay to the order of the City of Los Angeles, a municipal corporation, acting by and through its department, the Los Angeles Housing and Community Investment Department (the "City", the Department" or "HCID") whose address is 1200 W. 7th Street, 8th Floor, Los Angeles, California, 90017 ("Lender"), a principal amount equal to ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00) and or so much thereof as may be advanced by Lender to Borrower (the "City Loan") and in the event of breach of the City Loan Agreement by the Borrower, as determined by the City, FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) ("City Grant") pursuant to the City Loan Agreement of even date herewith between Borrower and Lender (the "City Loan Agreement"). Borrower also promises to pay to the order of Lender accrued simple interest of zero percent (0%) per annum on the outstanding principal amount commencing from the date of this City Note until paid. However, if the Project is not completed in accordance with time allocated in the Schedule of Performance attached as Exhibit "L" to the City Loan Agreement, simple interest of 3% shall apply to the balance of the City Loan and City Grant.

1. **BORROWER'S OBLIGATION.** This City Note evidences the obligation of Borrower to Lender for the repayment of the fair reuse value of ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00) of the real property located at and commonly known as 9513 South Spring Street, Los Angeles, CA 90003 (legally described in Exhibit "A" to the City Loan Agreement), which the City transferred to Borrower pursuant to the terms of the City Loan Agreement, for the purpose of the development and construction of a for-sale project consisting of: (1) a 1,149

square foot, 3-bedroom, 2-bath single family home with a 457 square foot, 2-car garage ("SFD") and a 494 square foot, 1-bedroom, 1-bathroom junior accessory dwelling unit ("Junior ADU") without parking, to be collectively used by Eligible Household as a 4-bedroom, primary residence for the duration of ownership (both the SFD and Junior ADU shall include air-conditioning, an oven, a refrigerator, microwave, private backyard and drought tolerant plants with smart irrigation, the SFD shall be solar power ready and the garage shall be EV plug in ready with a 22 volt outlet installation and the SFD and the Junior ADU shall be surrounded by a 6 foot wooden fence) (the SFD and the Junior ADU, are hereinafter sometimes collectively referred to as the "Project" or the "Improvements".) Upon completion of the Project, the Borrower shall sell it to an Eligible Household for no more than the Maximum Sales Price (as defined in Exhibit "M" to the City Loan Agreement). The Project shall be subject to re-sale restrictions for a period of thirty (30) years from the date of issuance of a Certificate Occupancy or Certificate of Completion, if applicable, for the Project. If the certificates for the Project (i.e. for the SFD and Junior ADU) are issued on different dates, the date of the last issued certificate controls. At the end of the thirty (30) year term, in addition to the balance of the City Loan due, upon the first sale of the Project for market value, the then-Owner of the Project shall pay the City its shared appreciation in the Project.

This City Note also evidences the obligation of Borrower to Lender for the repayment of the City Grant of FORTY EIGHT THOUSAND DOLLARS (\$48,000.00). However, if Borrower is determined by the City to have complied with the terms of the City Loan Agreement, then no re-payment of the City Grant shall be required under this City Note.

2. **AMOUNT AND TIME OF PAYMENT.** The principal of the City Loan and City Grant, if applicable and all accrued interest thereon shall be due and payable on the earliest of: (a) June 1, 2019 (i.e. the deadline for sale of the completed Project by Borrower), (b) the date the Property is sold, assigned, transferred or refinanced without the City's approval or (c) an Event of Default by Borrower which has not been cured as provided for in this City Loan Agreement.

3. **PLACE AND MANNER OF PAYMENT.** All amounts due and payable under this City Note and the City Loan Agreement are payable at the office of Lender as set forth above, or at such other place as Lender may designate to Borrower in writing from

time to time, in any coin or currency of the United States which on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

4. **APPLICATION OF PAYMENTS.** All payments received on account of this City Note shall be first applied to accrued interest and the remainder shall be applied to the reduction of principal; except that if Lender shall have made additional advances under the terms of the City Loan Documents and such advances have not been repaid, any payments received by Lender, at its option, may be applied first to the repayment of such advances and interest thereon.

5. **PREPAYMENT OF CITY LOAN.** No prepayment penalty will be charged to Borrower for payment of all or any portion of this City Note prior to the end of the City Loan term described herein.

6. **WAIVERS.** Presentment, notice of dishonor, and protest are waived by all makers, sureties, guarantors, and endorsers of this City Note.

7. **DEFAULT AND ACCELERATION.** This City Note is secured by a Deed of Trust (the "City Deed of Trust"). All covenants, conditions and agreements contained in the City Deed of Trust and the City Loan Agreement are hereby made a part of this City Note. Borrower agrees that the unpaid balance of the then principal amount of this City Note, together with all accrued interest thereon and charges owing, shall, at the option of Lender, become immediately due and payable upon any Event of Default as defined in the City Loan Agreement which has not been cured pursuant to that Agreement, including without limitation the failure of Borrower to make any payment when due. Upon any Event of Default, Lender may exercise any other right or remedy permitted under the City Loan Documents.

8. **NONRECOURSE.** This City Loan is a non-recourse obligation of Borrower. The sole recourse of Lender for repayment of the principal and interest shall be the exercise of Lender's rights against the Property.

9. **CONSENTS AND APPROVALS.** Any consent or approval of Lender required under this City Note shall not be unreasonably withheld.

10. **NOTICES.** Except as may be otherwise specifically provided herein, any approval, notice, direction, consent

request or other action by Lender shall be in writing and may be communicated to Borrower at the principal office of Borrower set forth above, or at such other place or places as Borrower shall designate in writing, from time to time, for the receipt of communications from Lender.

11. **BINDING UPON SUCCESSORS.** All provisions of this City Note shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of Borrower and Lender; provided, however, that this section does not waive the prohibition in the City Loan Agreement on assignment of the City Loan by Borrower without Lender's consent.

12. **ASSIGNMENT AND ASSUMPTION.** Borrower shall not assign any of its interests under this City Note to any other party, except as specifically permitted under the terms of the City Loan Documents, without the prior written consent of Lender. Any unauthorized assignment shall be void.

13. **DEFINITIONS.** Capitalized terms not defined in this City Note shall have the same meaning as defined terms in the City Loan Agreement.

14. **GOVERNING LAW.** This City Note shall be interpreted under and governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

15. **CITY LOAN AGREEMENT CONTROLS.** In the event that any provisions of this City Note and the City Loan Agreement conflict, the terms of the City Loan Agreement shall control.

16. **SEVERABILITY.** Every provision of this City Note is intended to be severable. If any provision of this City Note shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

17. **TIME.** Time is of the essence in this City Note.

18. **WAIVER.** Any waiver by Lender of any obligation in this City Note must be in writing. No waiver shall be implied from any failure of Borrower to take, or any delay or failure by Lender to take action on any breach or default by Borrower or to pursue any remedy allowed under this City Note or applicable

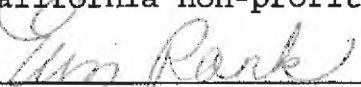
law. Any extension of time granted to Borrower to perform any obligation under this City Note shall not operate as a waiver or release from any of its obligations under the City Note. Borrower hereby waives all defenses and pleas on the grounds of any extensions of the time for repayment of any amounts due under this City Note, unless Lender has granted such extensions in writing. Consent by Lender to any act or omission by Borrower shall not be construed to be a consent to any other act or omission or to waive the requirement for Lender's written consent to future waivers.

19. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this City Note must be in writing, and shall be made only if executed by both Borrower and Lender.

Executed this 31st day of
AUGUST, 2018

For: BORROWER

HABITAT FOR HUMANITY
OF GREATER LOS ANGELES,
a California non-profit public benefit corporation

By: 
ERIN RANK
Its: President and CEO


By: 
RAUL SALINAS
Its: Secretary

EXHIBIT D
CITY DEED OF TRUST

EXHIBIT "D"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

NO FEE DOCUMENT

Complimentary recording requested by
The City of Los Angeles pursuant to
Government Code 6103, Section 27383

When recorded, mail to:

City of Los Angeles
Los Angeles Housing and Community Investment Department
Attn: Asset Management - (Home Ownership Unit)
P.O. Box 532729
Los Angeles, CA 90053-2729

DEED OF TRUST, ASSIGNMENT OF RENTS,
AND SECURITY AGREEMENT
9513 South Spring Street, Los Angeles, CA 90003

(RE-SALE RESTRICTED PROPERTY)

SECURING: \$159,000.00 (City Loan) and \$48,000.00 (City Grant)

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT ("City Deed of Trust") is made this ____ day of _____ 2018, by Habitat for Humanity of Greater Los Angeles, a California non-profit public benefit corporation ("Trustor") to _____, a California corporation, as trustee ("Trustee"), for the benefit of the City of Los Angeles, a municipal corporation ("Beneficiary"). This City Deed of Trust is being executed in order to secure beneficiary's interest as a governmental agency in ensuring both that public funds loaned for the Project development are repaid, and that housing projects assisted by public funds are developed and operated in a manner that is consistent with the public interest.

GRANT IN TRUST

1. **GRANT.** Trustor, in consideration of the indebtedness referred to below, hereby irrevocably grants and conveys to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, all of Trustor's interest in the property located in the City of Los Angeles, County of Los Angeles, State of California, and described in the attached Exhibit "A" incorporated

herein by this reference (the "Property"), which is located at and commonly known as 9513 South Spring Street, Los Angeles, CA 90003.

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property; all buildings, structures, fixtures, improvements, signs, and landscaping now or hereafter erected or located on the Property, including all equipment and machinery used for supplying or distributing heating, cooling, electricity, gas, water, air, and light, all kitchen and laundry appliances such as washers, dryers, refrigerators, garbage disposals, ovens, ranges, dishwashers, all plumbing and bathroom fixtures, all security and access control equipment, fire prevention and extinguishment equipment, elevators, floor coverings, window coverings, paneling, cabinets, (provided, however, that Trustor shall have the right to remove, if necessary, such fixtures, furnishings, and equipment for the purpose of replacement with similar items of the same quality performing the same functions, which replacements shall themselves become part of this grant); all building material and equipment either now or hereafter delivered to the Property and intended to be installed therein or any such material and equipment purchased with City Loan proceeds whether or not located on the Property; all reserves, accounts, deferred payments, and refunds relating to development on the Property; all rents and income generated by the Property or improvements thereon (subject however to the assignment of rents to Lender contained herein); all leases, subleases and rental agreements covering the Property or any portion thereof now existing or hereafter entered into, and all interests of Trustor in security deposits, advance rentals, accounts, or payments of similar nature with respect to such leases, subleases, or rental agreements; all easements and rights-of-way appurtenant to the Property, including parking and recreational easements, and all interests of Trustor in any land lying within the right-of-way of any street, sidewalks, and areas of land adjacent to or used in connection with the Property; all development rights and credits, air rights, water rights, and oil, gas or mineral rights with respect to the Property; all claims or demands with respect to insurance proceeds, and all awards made for a taking by eminent domain; all interests and rights in any private or government grants, subsidies, loans, or other financing with respect to development on the Property; all interests in personal property used in and about the Property (except furniture and other personal property of occupants of dwelling units on the Property); all intangible property and rights relating to the Property or operations on the Property, including trade names, goodwill, trademarks, and service marks; all government permits, approvals, and map rights related to construction on the Property; all architectural, structural, and mechanical plans, specifications, designs, studies, and data with respect to construction of

improvements on the Property; all environmental tests, studies and reports with respect to the Property; all current and future claims and rights of action of Trustor against prior owners and operators of the Property, neighboring property owners and operators, tenants and former tenants, consultants, advisors, and other third parties with respect to environmental or Hazardous Materials contamination and cleanup of the Property under any federal, state, or local ordinances, statutes, regulations, or administrative decisions or common law.

All of the foregoing, together with the Property, is herein referred to as the "Security."

OBLIGATIONS SECURED

2. Trustor makes this grant for the purpose of securing the following obligations:

- A. Repayment of the indebtedness of Trustor to Beneficiary in the principal sum of ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00) with interest thereon (the "City Loan") and in the event of breach of the City Loan Agreement by the Borrower, as determined by the City, repayment of indebtedness to Trustor to Beneficiary in the sum of FORTY EIGHT THOUSAND DOLLARS (\$48,000.00) with interest thereon (the "City Grant") as evidenced by a promissory note executed by Borrower (the "City Note") on file at the offices of Beneficiary, which is hereby incorporated into this City Deed of Trust by this reference) or as much as has been disbursed to Trustor therewith, along with any extensions, amendments, modifications, or renewals to the City Note; and
- B. Payment of any sums advanced by Beneficiary to protect the security and priority of this City Deed of Trust; and
- C. Payment of any sums advanced by Beneficiary following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and
- D. Performance of every obligation, covenant or agreement of Trustor contained in this City Deed of Trust, the City Note, the City Regulatory Agreement, the City Loan Agreement executed between

Trustor and Beneficiary for this City Loan (the "City Loan Agreement") on file at the offices of Beneficiary, which is hereby incorporated into this City Deed of Trust by this reference), including all modifications, extensions and renewals of these obligations; and

- E. Performance of any other obligation or repayment of any other indebtedness of Trustor to Beneficiary, where such evidence of obligation or indebtedness specifically recites that it is secured by this City Deed of Trust; and
- F. Performance of any obligations of Trustor in any other agreements with respect to financing of the Project or the Security, whether or not Beneficiary is a party to such agreements.

ABSOLUTE ASSIGNMENT OF RENTS AND RIGHT TO POSSESSION

3. **ASSIGNMENT.** As additional security, Trustor hereby assigns to Beneficiary: A) all of the rents, revenues, profits, and income from the Security, any deposits now or hereafter in Trustor's possession which have been collected with respect to the Security, and any reserve or capital funds now or hereafter held by Trustor with respect to construction or operation of the Security (collectively, the "Rents"); and B) the right to enter, take possession of, and manage the Security; provided however that Trustor shall have, before an Event of Default, the exclusive right to possess the Security and to collect Rents and use them in accordance with the City Loan Documents. This assignment is intended to be an absolute and present transfer of Trustor's interest in existing and future Rents, effective as of the date of this City Deed of Trust.

4. **ENFORCEMENT.** Upon the happening of an Event of Default and written notice to Trustor, Beneficiary may, in addition to other rights and remedies permitted by the City Loan Agreement, this City Deed of Trust, or applicable law, A) enter upon, take possession of, and manage the Security, either in person as a mortgagee-in-possession, by agent, or by a receiver appointed by a court, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Security, B) collect all Rents, including those past due and unpaid, and apply the same to pay for the costs and expenses of operation of the Security, including attorneys' fees, and pay off any indebtedness secured by this City Deed of Trust, all in such order as Beneficiary may determine, and/or C) enter upon and take possession of the Security, and complete construction of any

improvements on the Security as provided for in the Plans and Specifications approved under the City Loan Agreement or any modifications to the Plans and Specifications or the Project that Beneficiary in its sole discretion believes is appropriate. Beneficiary may make, cancel, enforce, and modify leases and rental agreements, obtain and evict tenants, set and modify rent terms, sue for rents due, enter into, modify, or terminate any contracts or agreements, or take any legal action, as it deems necessary with respect to the Rents or to development or operation of the Security.

5. **APPOINTMENT OF A RECEIVER.** In any action to enforce this assignment, Beneficiary may apply for the appointment of a receiver to take possession of the Security and take whatever measures are necessary to preserve and manage the Security for the benefit of Beneficiary and the public interest. Trustor hereby consents to the appointment of a receiver. The receiver shall have all of the authority over the Security that Beneficiary would have if Beneficiary took possession of the Security under this assignment as a mortgagee-in-possession, including the right to collect and apply Rents and the right to complete construction of improvements.

6. **NO WAIVER OF POWER OF SALE.** The entering upon and taking possession of the Security and the collection of Rents shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or notice of default and, notwithstanding the continuance in possession of the Security or the collection and application of Rents, Beneficiary shall be entitled to exercise every right provided for in this City Deed of Trust or by law upon occurrence of any Event of Default, including the right to exercise the power of sale.

COMMERCIAL CODE SECURITY AGREEMENT

7. **GRANT.** This City Deed of Trust is intended to be a security agreement and financing statement pursuant to the California Commercial Code for any of the items specified above as part of the Security which under applicable law may be subject to a security interest pursuant to the Commercial Code, and Trustor hereby grants Beneficiary a security interest in said items. Beneficiary may file a copy of this City Deed of Trust in the real estate records or other appropriate index as a financing statement for any of the items specified as part of the Security. Trustor shall execute and deliver to Beneficiary at Beneficiary's request any financing statements, as well as extensions, renewals, and amendments thereof, and copies of this instrument in such form as Beneficiary may require to perfect a security interest with respect to said items. Trustor shall pay all costs of filing such financing statements and shall pay all reasonable costs of any

record searches for financing statements and releases. Without the prior written consent of Beneficiary, Trustor shall not create or permit any other security interest in said items.

8. **REMEDIES.** Upon Trustor's breach of any obligation or agreement in the City Loan Documents, Beneficiary shall have the remedies of a secured party under the Commercial Code and at Beneficiary's option may also invoke the remedies provided for elsewhere in this City Deed of Trust with respect to said items. Beneficiary may proceed against the items of real property and personal property specified above separately or together and in any order whatsoever.

RIGHTS AND OBLIGATIONS OF TRUSTOR

9. **PERFORMANCE OF SECURED OBLIGATION.** Trustor shall promptly perform each obligation secured by this City Deed of Trust.

10. **PAYMENT OF PRINCIPAL AND INTEREST.** Trustor shall promptly pay when due the principal and interest on the indebtedness evidenced by the City Note.

11. **MAINTENANCE OF THE SECURITY.** Trustor shall, at the Trustor's own expense, maintain and preserve the Security or cause the Security to be maintained and preserved in good condition, in good repair, and in a decent, safe, sanitary, habitable and tenantable condition. Trustor shall not cause or permit any violations of any laws, ordinances, regulations, covenants, conditions, restrictions, or equitable servitudes as they pertain to improvements, alterations, maintenance or demolition on the Security. Trustor shall not commit or permit waste on or to the Security. Trustor shall not abandon the Security. Beneficiary shall have no responsibility over maintenance of the Security. In the event Trustor fails to maintain the Security in accordance with the standards in this City Deed of Trust or the City Loan Agreement, Beneficiary, after at least seven (7) calendar days prior notice to Trustor, may, but shall be under no obligation to, make such repairs or replacements as are necessary and provide for payment thereof. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the City Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this City Deed of Trust.

12. **INSPECTION OF THE SECURITY.** Trustor shall permit Beneficiary to enter and inspect the Security for compliance with

these obligations upon twenty four (24) hours advance notice of such visit by Beneficiary to Trustor or Trustor's management agent.

13. **LIENS, ENCUMBRANCES, AND CHARGES.** Trustor shall discharge any lien or encumbrance not approved by Trustor in writing that may attain priority over this City Deed of Trust, as provided for in the City Loan Agreement.

14. **DEFENSE AND NOTICE OF CLAIMS AND ACTIONS.** Trustor shall appear in and defend, at its own expense, any action or proceeding purporting to affect the Security and/or the rights of Beneficiary. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any claim, of the filing of any action or proceeding and of any condemnation offer or action with respect to the Security.

15. **SUITS TO PROTECT THE SECURITY.** Beneficiary shall have power to institute and maintain such suits and proceedings as it may deem expedient A) to prevent any impairment of the Security or the rights of Beneficiary, B) to preserve or protect its interest in the Security and in the Rents, and C) to restrain the enforcement of or compliance with any governmental legislation, regulation, or order, if the enforcement of or compliance with such legislation, regulation, or order would impair the Security or be prejudicial to the interest of Beneficiary.

16. **DAMAGE TO SECURITY.** Trustor shall give Beneficiary and Trustee prompt notice in writing of any damage to the Security. If any building or improvements erected on the Property is damaged or destroyed by an insurable cause, Trustor shall, at its cost and expense, repair or restore said buildings and improvements consistent with the original plans and specifications. Such work or repair shall be commenced within one hundred twenty (120) days after the damage or loss occurs and shall be complete within one (1) year thereafter. All insurance proceeds collected for such damage or destruction shall be applied to the cost of such repairs or restoration and, if such insurance proceeds shall be insufficient for such purpose, Trustor shall make up the deficiency.

17. **TITLE.** Trustor warrants that Trustor lawfully has legal title to the Security without any limitation on the right to encumber.

18. **GRANTING OF EASEMENTS.** Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to the Security except those required or desirable for installation and maintenance of public utilities

including water, gas, electricity, sewer, cable television, telephone, or those required by law.

19. **TAXES AND LEVIES.** Trustor shall pay prior to delinquency, all taxes, fees, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security. However, Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as A) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and B) Trustor maintains reserves adequate to pay any contested liabilities. In the event that Trustor fails to pay any of the foregoing items, Beneficiary may, but shall be under no obligation to, pay the same, after Beneficiary has notified Trustor of such failure to pay and Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the City Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this City Deed of Trust.

20. **INSURANCE.** Trustor shall provide such insurance as required under the City Loan Agreement. In the event Trustor fails to maintain the full insurance coverage required by this City Deed of Trust, Beneficiary, after at least seven (7) business days prior notice to Trustor, may, but shall be under no obligation to, take out the required policies of insurance and pay the premiums on such policies. Any amount so advanced by Beneficiary, together with interest thereon from the date of such advance at the same rate of indebtedness as specified in the City Note (unless payment of such an interest rate would be contrary to applicable law, in which event such sums shall bear interest at the highest rate then allowed by applicable law), shall become an additional obligation of Trustor to Beneficiary and shall be secured by this City Deed of Trust.

21. **CONDEMNATION.** All judgments, awards of damages, settlements and compensation made in connection with or in lieu of taking all or any part of or interest in the Security under assertion of the power of eminent domain ("Funds") are hereby assigned to and shall be paid to Beneficiary. Beneficiary is authorized (but not required) to collect and receive any Funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as Beneficiary shall determine at its sole option. All or any part of the amounts so collected and recovered by Beneficiary may be

released to Trustor upon such conditions as Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by Beneficiary or the release thereof shall not cure or waive any default under this City Deed of Trust.

22. **ACCELERATION ON TRANSFER OF SECURITY; ASSUMPTION.** In the event that Trustor, without the prior written consent of the Beneficiary, sells, agrees to sell, transfers, or conveys its interest in the Security or any part thereof or interest therein, Beneficiary may at its option declare all sums secured by this City Deed of Trust to be immediately due and payable. This option shall not apply in case of:

- A. the grant of a tenant, leasehold, or fee interest to qualifying households who will occupy the Project as provided for under the City Loan Documents; or
- B. sale or transfer of fixtures or personal property pursuant to the grant provisions in this City Deed of Trust. Consent to one (1) sale or transfer shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

23. **RECONVEYANCE BY TRUSTEE.** This trust is intended to continue for the entire term of the City Loan. Upon written request of Beneficiary stating that all sums secured by this City Deed of Trust have been paid and upon surrender of this City Deed of Trust to Trustee for cancellation and retention, and upon payment by Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the person or persons legally entitled thereto.

DEFAULTS AND REMEDIES

24. **EVENTS OF DEFAULT.** Any of the events listed in the City Loan Agreement as an Event of Default shall also constitute an Event of Default under this City Deed of Trust, including, but not limited to, 1) Trustor's failure to pay when due any sums payable under this City Deed of Trust, the City Note, or the City Loan Agreement; 2) Trustor's failure to observe or to perform any of its other covenants, agreements or obligations under this City Deed of Trust, the City Note, or the City Loan Agreement; or 3) Trustor's failure to make any payment or perform any of its other covenants, agreements, or obligations under any other agreement with respect to financing for the Project or the Security, whether or not Beneficiary is a party to such agreement.

25. **ACCELERATION OF MATURITY.** Upon the happening of an Event of Default which has not been cured within the times and in the manner provided in the City Loan Agreement, Beneficiary may declare all sums advanced to Trustor under the City Note and this City Deed of Trust immediately due and payable.

26. **BENEFICIARY'S REMEDIES.** Upon the happening of an Event of Default which has not been cured within the times and in the manner provided in the City Loan Agreement, Beneficiary may, in addition to other rights and remedies permitted by the City Loan Agreement, the City Note, or applicable law, proceed with any or all of the following remedies:

- A. Enforce the assignment of rents and right to possession as provided for in this City Deed of Trust, and/or seek appointment of a receiver to take over possession of the Security and collect Rents;
- B. Enter the Security and take any actions necessary in its judgment to complete construction on the Security as permitted under the Assignment of Architect's Contracts and Plans and Specifications and Permits (Exhibit "K" to the City Loan Agreement) executed by Trustor (on file with Beneficiary) and the assignment of rents and right to possession in this City Deed of Trust, either in person or through a receiver appointed by a court;
- C. Disburse from City Loan proceeds any amount necessary to cure any Monetary Default under this City Deed of Trust, the City Loan Agreement, or the City Note;
- D. Commence an action to foreclose this City Deed of Trust pursuant to California Code of Civil Procedure Sections 725a, et seq., and/or seek appointment of a receiver from a court of competent jurisdiction with the authority to protect Beneficiary's interests in the Security, including the authority to complete construction of improvements;
- E. Deliver to Trustee a written declaration of Default and demand for sale, and a written Notice of Default and election to cause Trustor's interest in the Security to be sold, which notice Trustee or Beneficiary shall duly file for record in the

Official Records of Los Angeles County, and
exercise its power of sale as provided for below;

F. Pursue any other rights and remedies allow at law
or in equity.

27. FORECLOSURE BY POWER OF SALE. Should Beneficiary elect to foreclose by exercise of the power of sale contained in this City Deed of Trust, Beneficiary shall notify Trustee and shall deposit with Trustee this City Deed of Trust (the deposit of which shall be deemed to constitute evidence that the unpaid sums disbursed under the City Note are immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

Upon receipt of such notice from Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as then required by law and by this City Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by Trustor, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to the purchaser its deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee, or Beneficiary, may purchase at the sale.

Trustee may postpone sale of all or any portion of the property by public announcement at such time and place of sale, and from time to time thereafter, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new Notice of Sale.

After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale as follows: (i) first, to the payment of all sums then secured by this City Deed of Trust, in such order and amounts as Beneficiary in its sole discretion determines, and (ii) the remainder, if any, to the person or persons legally entitled thereto.

28. **REMEDIES CUMULATIVE.** No right, power or remedy conferred upon or reserved to Beneficiary by this City Deed of Trust is intended to be exclusive of any other rights, powers or remedies, but each such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity.

GENERAL PROVISIONS

29. **GOVERNING LAW.** This City Deed of Trust shall be interpreted under and governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

30. **STATEMENT OF OBLIGATION.** Lender may collect a fee not to exceed the maximum allowable under applicable law for furnishing a statement of obligations as provided in the California Civil Code.

31. **CONSENTS AND APPROVALS.** Any consent or approval of Beneficiary required under this City Deed of Trust shall not be unreasonably withheld or delayed.

32. **TIME.** Time is of the essence in this City Deed of Trust.

33. **NOTICES, DEMANDS AND COMMUNICATIONS.** Formal notices, demands and communications between Trustor and Beneficiary shall be sufficiently given and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the principal offices of Trustor and Beneficiary as follows:

BENEFICIARY: Los Angeles Housing and Community Investment
Department
Attn: Asset Management - Home Ownership
Post Office Box 532729
Los Angeles, CA 90053-2729

TRUSTOR: Habitat for Humanity of Greater Los Angeles
8739 Artesia Blvd
Bellflower, CA 90706

34. **BINDING UPON SUCCESSORS.** All provisions of this City Deed of Trust shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of Trustor, Trustee, and Beneficiary.

35. **WAIVER.** Any waiver by Beneficiary of any obligation of Trustor in this City Deed of Trust must be in writing. No waiver will be implied from any delay or failure by Beneficiary to take action on any breach or default of Trustor or to pursue any remedy allowed under the City Deed of Trust or applicable law. Any extension of time granted to Trustor to perform any obligation under this City Deed of Trust shall not operate as a waiver or release Trustor from any of its obligations under this City Deed of Trust. Consent by Beneficiary to any act or omission by Trustor shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for Beneficiary's written consent to future waivers.

36. **AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this City Deed of Trust must be in writing, and shall be made only if mutually agreed upon by Beneficiary and Trustor.

37. **CITY LOAN AGREEMENT CONTROLS.** If there is any contradiction between this instrument and the City Loan Agreement, the terms of the City Loan Agreement shall control, except that Trustor shall have no defense or claim that this instrument does not establish a valid lien on the Property or the Security.

38. **DEFINITIONS.** Capitalized terms not otherwise defined in this City Deed of Trust shall have the same meaning as defined terms in the City Loan Agreement.

39. **PROOFS OF CLAIM.** In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, recomposition or other proceedings affecting Trustor, its creditors or its property, Trustee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Beneficiary allowed in such proceedings and for any additional amount which may become due and payable by Trustor hereunder after such date.

40. **SEVERABILITY.** Every provision of this City Deed of Trust is intended to be severable. If any term or provision of this City Deed of Trust is declared to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the legality, validity, and enforceability of the remaining provisions shall not be affected. If the lien of this City Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt and all payments made on the debt (whether voluntary or under foreclosure or other enforcement action or procedure) shall be considered to have been first paid or applied to the payment of that portion of the debt which is not

secured or partially secured by the lien of this City Deed of Trust.

41. **SUBSTITUTION OF TRUSTEES.** Beneficiary may from time to time appoint another trustee to act in the place and stead of Trustee or any successor. Upon such appointment and without conveyance, the successor trustee shall be vested with all title, powers, and duties conferred upon Trustee. Each such appointment and substitution shall be made by a written instrument executed by Beneficiary containing reference to this City Deed of Trust and its place of record, which when duly recorded in the Los Angeles County Office of the Recorder shall be conclusive proof of proper appointment of the successor trustee.

42. **ACCEPTANCE BY TRUSTEE.** Trustee accepts this Trust when this City Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Except as otherwise provided by law, the Trustee is not obligated to notify any party hereto of pending sale under this City Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

IN WITNESS WHEREOF, the Trustor has executed this City Deed of Trust.

APPROVED AS TO FORM:
MICHAEL N. FEUER, City Attorney

Executed this _____ day of _____, 2018

For: BENEFICIARY:

By: _____
Deputy City Attorney

THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES
General Manager
Los Angeles Housing and Community
Investment Department

Date: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____
SEAN L. SPEAR
Its: Assistant General
Manager Housing Development
Bureau

By: _____
Deputy City Clerk

Date: _____

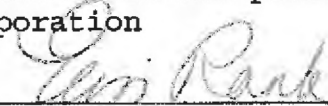
Executed this 31 day of August, 2018

For: TRUSTOR:

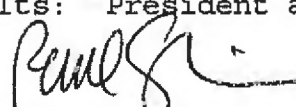
Council File Number:

HABITAT FOR HUMANITY
OF GREATER LOS ANGELES,
a California non-profit public benefit
corporation

Date Council Adopted:

By: 
ERIN RANK
Its: President and CEO

Said Agreement is Number _____
of City Contracts

By: 
RAUL SALINAS
Its: Secretary

SIGNATURES MUST BE NOTARIZED FOR
RECORDING

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

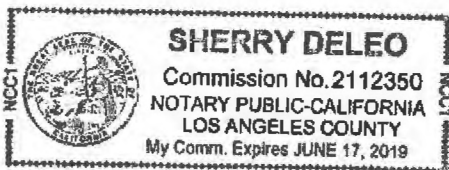
State of California

County of Los Angeles

On August 31, 2018 before me, Sherry DeLeo, Notary Public
Date Here, Insert Name and Title of the Officer

personally appeared ETHAN RANK AND RAUL SALINAS
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sherry DeLeo
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: City Loan Agreement
Exhibit "D" Deed of Trust, Assignment

Document Date: Not dated of RENTS AND Number of Pages: SIXTEEN

Signer(s) Other Than Named Above: (2) OF (5) Security Agreement

Capacity(ies) Claimed by Signer(s)

Signer's Name: ETHAN RANK

☒ Corporate Officer - Title(s): PRES. & CEO

☐ Partner - ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian of Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: RAUL SALINAS

☐ Corporate Officer - Title(s): _____

☐ Partner - ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian of Conservator

☒ Other: Secretary

Signer is Representing: _____

EXHIBIT "A"
CITY DEED OF TRUST
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 5 OF TRACT NO. 4055, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGE 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB SAID PROPERTY WITHIN 500 FEET IN THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN DEED RECORDED NOVEMBER 6, 1992 AS INSTRUMENT NO. 92-2047803.

ASSESSOR'S IDENTIFICATION NUMBER: 6053-006-904

COMMON ADDRESS: 9513 South Spring Street, Los Angeles, CA
90003

BORROWER: Habitat for Humanity of Greater Los Angeles, a
California non-profit public benefit
corporation

EXHIBIT E
BUDGET AND ELIGIBLE COSTS

EXHIBIT "E"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY of GREATER LOS ANGELES
(9513 SOUTH SPRING STREET, LOS ANGELES, CA 90003)

BUDGET				
I.	<u>Land Assemblage Cost</u>			
	Land (Acquistion Loan) ¹		\$159,000	
	City Land Grant		\$48,000	
	Total Land Assemblage²			\$207,000
II.	<u>Direct Costs</u>			
	Construction Management		\$5,000	
	Construction Team Labor		\$60,000	
	Single Family Home Unit	1606 Sq ft \$ 113.64 /Sq ft	\$ 182,500.00	
	Accessory Dwelling Unit	494 Sq ft \$ 92.11 /Sq ft	\$ 45,500.00	
	Landscaping		\$ 6,500.00	
	Contingency		\$ 17,287.00	
	Total Direct Costs			\$316,787
III.	<u>Indirect Costs</u>			
	Fees and permits		\$ 20,000.00	
	Other Consultants, Printing		\$ 19,061.00	
	Contingency		\$ 1,992.00	
	Total Indirect Costs		\$	41,053.00
IV.	<u>Financing Costs</u>			
	Const. Interest	6% 6 months	\$ 8,357.14	
	End Closing/Sales		\$0	
	Total Financing Costs		\$	8,357.14
V.	<u>Developer's Fee</u>			
	Habitat for Humaity LA	5% dir+Indir	\$	18,910.00
VI.	<u>Total Development Costs</u>			\$592,107

¹The City will sell the Land at Fair Reuse Value.

²The Fair Market Value is appraised at \$207,00. The City will grant difference between Fair Reuse Value and Fair Market Value.

EXHIBIT F

FUNDING/FINANCING SOURCES OR COMMITMENTS

EXHIBIT "F"			
CITY LOAN AGREEMENT			
HABITAT FOR HUMANITY of GREATER LOS ANGELES			
(9513 SOUTH SPRING STREET, LOS ANGELES, CA 90003)			
FUNDING/FINANCING SOURCES OR COMMITMENTS			
	Source	Total	Total
Detail	Amount		
PROJECT FUNDING SOURCES			
Habitat for Humanity of Greater LA Equity	\$ 150,000		
Construction Financing (Bank)	\$ 188,561		
City of Los Angeles Land Acquisition Loan	\$ 159,000		
City of Los Angeles Land Grant	\$ 48,000		
Deferred Developer Fee	\$ 18,910		
Construction Interest Fee	\$ 8,357		
Total Funding Sources or Total Development Costs (TDC)			\$ 572,828
HOME BUYER PURCHASE FINANCING SOURCES			
Sales Price	\$ 525,000		\$ 525,000
Home Buyers Closing Costs	\$ 15,000		
Total Home Buyer Costs		\$ 540,000	
LOW- TO MODERATE-INCOME PURCHASE FINANCING:			
Downpayment (1% of Sales Price)	\$ 5,250		
First Mortgage ¹	\$ 292,700		
City Soft Second Mortgage ²	\$ 159,000		
Habitat for Humanity of Greater LA Silent Third Mortgage	\$ 68,050		
WISH	\$ 15,000		
Total Homebuyer Purchase Financing		\$ 540,000	
Excess of Sales Revenue over TDC			\$ (47,828)

¹Estimated mortgage for household up to 110 AMI HCD

²Developer Acquisition Loan reconveyed to homebuyer's soft second mortgage with the City.

EXHIBIT G

CONDITIONS PRECEDENT TO LOAN DISBURSEMENT

EXHIBIT "G"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

CONDITIONS PRECEDENT TO CITY LOAN DISBURSEMENT AND TRANSFER OF
PROPERTY

Prior to the transfer of title to the Property by the City to the Borrower, each of the following conditions must be met to the satisfaction of the City:

- A. There exists no Event of Default nor any act, failure, omission or condition that would constitute an Event of Default by Borrower;
- B. Borrower has committed funds available in form of donations, for construction. The Funding/Financing Sources or Commitments obtained by Borrower for construction of the Project are set forth in Exhibit "F" to this City Loan Agreement and incorporated herein by this reference;
- C. The financing for development of the Project for which Borrower has received funds or firm commitments for funds are not less than the amount which Lender determines is necessary to pay for development of the Project and satisfy all of the covenants contained in the City Loan Documents. If Lender determines that said funds are not sufficient for said purposes, Borrower may satisfy this condition by depositing the amount of the deficiency with Lender.

Borrower has delivered to Lender all City Loan Documents, fully executed and acknowledged where necessary, an ALTA lender's policy as required under this City Loan Agreement, all insurance policies required under the City Loan Documents, and an environmental report regarding the presence or absence of Hazardous Wastes ;

- D. Borrower has delivered a construction schedule satisfactory to Lender;

E. Borrower has received written design concept approval from Lender based on preliminary plans;

F. Borrower shall submit a fully executed Certification and Disclosure Regarding Lobbying, as required by 24 CFR 87.110, attached as Exhibit "H", which is hereby incorporated into this City Loan Agreement by this reference. Borrower shall comply with all provisions of 31 USC §1352 et seq., 29 CFR Part 93, and all City lobbying policies. Borrower shall also submit an executed Certification Regarding Debarment, as required by Executive Order 12549, attached as Exhibit "I", which is hereby incorporated into this City Loan Agreement by this reference.

G. Transfer and Possession. City shall have delivered through Escrow an executed and recordable Grant Deed (in the form of Exhibit "P" to the City Loan Agreement) for the Closing. Except as set forth herein, Habitat agrees to pay all escrow and title fees.

H. Title Approval. Borrower shall have approved the condition of title as provided in this Section. On or before the Approval Date (as defined below), Borrower shall review a current preliminary title report on the Real Property ("Title Report") procured by City from [First American Title Insurance Company] ("Title Company") and shall undertake any other investigations of title regarding the Property that Borrower deems advisable in Borrower's sole discretion. Borrower shall take title to the Property pursuant to this City Loan Agreement subject to matters described below. All other matters affecting title to the Property to which Borrower objects shall be expressly disapproved by Borrower by giving written notice to City on or before the Approval Date. In the event Borrower elects to obtain extended coverage ALTA owner's or lender's title insurance policies, and such extended coverage policies require an ALTA survey (all of which shall be at Borrower's sole cost and expense), Borrower shall take title to matters disclosed by such ALTA survey except such matters as Borrower expressly disapproves in writing by the Approval Date. City shall have five (5) business days from receipt of such notice of disapproval within which to notify Borrower in writing as to whether it shall cause the removal of

such disapproved exception(s) to coverage. City shall have no obligation to remove any such exception to coverage, provided, however, that City shall remove any exception to coverage for any lien secured by a deed of trust securing a loan made to City, mechanic's liens on the Property resulting from work performed by or at the direction of City, judgment liens against City recorded against the Property, and delinquent real estate taxes, if any, affecting the Property ("Monetary Liens"), which City agrees to have removed (or insured or bonded over to Borrower's reasonable satisfaction) on or before Closing. The failure by City to give Borrower written notice of its intention to remove any exception to coverage disapproved by Borrower in the manner herein provided (other than with respect to Monetary Liens), shall be deemed an election by City not to remove such exception. In the event that City either elects not to remove or is deemed to have elected not to remove such disapproved exception to coverage, Borrower may terminate this City Loan Agreement. Should Borrower fail to disapprove any matter affecting the condition of title or constituting an exception to coverage by the Approval Date, such matter and/or exception shall be deemed approved by Borrower.

I. Title Insurance. The Title Company shall be committed to deliver to Borrower ALTA standard coverage owner's policies with regional exceptions dated as of the Closing Date, insuring Borrower in an amount equal to the City Loan, and including such endorsements as Borrower shall have requested and the Title Company shall have agreed to issue, prior to the Approval Date. The foregoing title policies shall show title to the Property vested in Borrower subject only to the following ("Permitted Exceptions"):

- (A) Real property taxes not yet due and payable;
- (B) Current general and special bonds or assessments for amounts accruing after the Closings;
- (C) All recorded covenants, conditions and restrictions and other matters shown on the Title Report that have been approved or deemed approved by Borrower;
- (D) All matters caused by Borrower or its contractors, employees, agents, or representatives;
- (E) All other matters affecting title to the Property

approved in writing or deemed approved by Borrower.

J. Inspection and Soil Tests including Environmental Reports; Entry Permit; Construction of Improvements. Borrower shall have approved of the physical condition of the Property as provided in this Section. Borrower shall be entitled to enter upon the Property for purposes of physical inspection of the Property pursuant to an entry permit to be entered into by and between Borrower and City granting Borrower a license to enter the Property in such form as is acceptable to the Parties ("Entry Permit"). During the inspection period described in this Section and pursuant to the terms of the Entry Permit, Borrower shall be entitled to enter the Land at any reasonable time for the purpose of conducting any customary soil, geological, seismic, archaeological, biological, hydrological, drainage and other engineering or environmental tests, and to inspect and survey the Land, subject to compliance with the terms and conditions of the Entry Permit. Borrower shall be deemed to have approved all soil and other physical conditions pertaining to the Property unless it has delivered to City written notice of disapproval to City specifying grounds for each matter so disapproved, such notice to be delivered to City on or before the date which is sixty (60) days following execution of this City Loan Agreement by Borrower and City ("Approval Date"). City shall make available to Borrower for inspection within five (5) business days following the execution of this City Loan Agreement by Borrower and City copies of any environmental reports, including Phase I and Phase II reports, in the possession of City covering the Property. The Entry Permit shall include a provision whereby Borrower agrees to indemnify, hold harmless and defend City from and against any suits, causes of action, liabilities, costs, damages and judgments arising out of the activities of Borrower on the Property, that Borrower shall not permit the placement of any liens or deeds of trust on the Property (and shall indemnify, hold harmless and defend City as to such liens); provided, however, in the event any such lien is recorded against the Property, Borrower may post a surety bond in the amount of such lien in satisfaction of Borrower's obligations to indemnify and defend City from and against such lien. Further, Borrower shall maintain

insurance in conformance with City requirements. Prior to entering upon the Property, Borrower shall provide City certificates of insurance evidencing coverage consistent with City's requirements, including naming City as additional insured and including required waivers and endorsements.

K. Land Use Permit Applications. Borrower shall have obtained approval of all land use entitlement applications required to construct the Project in accordance with this City Loan Agreement.

L. Feasibility Period. Borrower shall have determined, in its sole and absolute discretion, whether the Property is suitable for the uses for which it is contemplated to be used ("Project Feasibility"). Borrower shall be deemed to have approved the Project Feasibility, and the condition in this Section shall be deemed waived and fully satisfied, unless Borrower has delivered written notice of disapproval to City on or before the Approval Date. Project Feasibility includes, but is not limited to, the economic feasibility of the use for which the Property is contemplated by Borrower. In the event there is a failure of a condition to Borrower's obligation as set forth above, Borrower may terminate this City Loan Agreement by giving written notice to City not later than the first to occur of (i) ten (10) days after the condition has failed (which, as to conditions requiring approval by Borrower, shall be the date Borrower has given City written notice of disapproval of any item which Borrower has the right to approve under this Section unless City has an opportunity to cure, in which case the date shall be the last date on which City can cure the disapproved item hereunder, the date that City is deemed to have elected not to cure, or the date on which City gives Borrower written notice that it will not cure the disapproved item, whichever occurs first. If Borrower terminates as provided in this Section, City and Borrower shall pay one half each of all title and escrow cancellation charges; provided, however, if such termination is related to a default by City, City shall pay the cancellation charges.

Upon satisfaction of the foregoing conditions, City shall transfer title to the Property to Borrower.

EXHIBIT H
CERTIFICATION REGARDING LOBBYING

EXHIBIT "H"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans
and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

CERTIFICATION REGARDING LOBBYING CONTD.

4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31, U.S. Code, Section 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000) for each such failure.

Date

8/31/18

HABITAT FOR HUMANITY
OF GREATER LOS ANGELES,
a California non-profit public benefit corporation

By:

Erin Rank
ERIN RANK

Its: President and CEO

By:

Raul Salinas
RAUL SALINAS

Its: Secretary

EXHIBIT I
CERTIFICATION REGARDING DEBARMENT

EXHIBIT "I"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

CERTIFICATION REGARDING DEBARMENT

Instructions for Certification

1. By signing and submitting this document, the prospective recipient of Federal assistance funds is providing the certification as set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective recipient of Federal assistance funds knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective recipient of Federal assistance funds shall provide immediate written notice to the person to which this agreement is entered, if at any time the prospective recipient of Federal assistance funds learns that its certification was erroneous, when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.

EXHIBIT "I"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY
(9513 South Spring Street, Los Angeles, CA 90003)

CERTIFICATION REGARDING DEBARMENT CONTD

5. The prospective recipient of Federal assistance funds agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective recipient of Federal assistance funds further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Procurement or Non-Procurement Programs.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.


EXHIBIT "I"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY
(9513 South Spring Street, Los Angeles, CA 90003)

CERTIFICATION REGARDING DEBARMENT CONT'D

9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Date 8/31/18

HABITAT FOR HUMANITY
OF GREATER LOS ANGELES,
a California non-profit public benefit corporation

By: 
ERIN RANK
Its: President and CEO

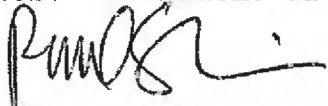
By: 
RAUL SALINAS
Its: Secretary

EXHIBIT "J"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

UCC-1

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) Kompheak Taing (213) 928-9029
B. E-MAIL CONTACT AT FILER (optional) Kompheak.Taing@lacity.org
C. SEND ACKNOWLEDGMENT TO: (Name and Address) <div style="border: 1px solid black; padding: 5px;">LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT 1200 W 7TH ST, 8TH FLOOR LOS ANGELES, CA 90017</div>

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME Habitat for Humanity of Greater Los Angeles, a California non-profit public benefit corporation				
OR				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS 8739 Artesia Blvd		CITY Bellflower	STATE CA	POSTAL CODE 90706
			COUNTRY USA	

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the individual Debtor information in Item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME LOS ANGELES HOUSING + COMMUNITY INVESTMENT DEPARTMENT				
OR				
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS 1200 W 7TH ST, 8TH FLOOR		CITY LOS ANGELES	STATE CA	POSTAL CODE 90017
			COUNTRY USA	

4. COLLATERAL: This financing statement covers the following collateral:

DEED OF TRUST AND PROMISSORY NOTE**SEE ATTACHED HERETO AND INCORPORATED HEREIN FOR TYPES OF PROPERTY COVERED BY THIS FINANCING STATEMENT.**

5. Check <u>only</u> if applicable and check <u>only</u> one box: Collateral is <input type="checkbox"/> held in a Trust (see UCC1Ad, Item 17 and instructions) <input type="checkbox"/> being administered by a Decedent's Personal Representative	
6a. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Public-Finance Transaction <input type="checkbox"/> Manufactured-Home Transaction <input type="checkbox"/> A Debtor is a Transmuting Utility	
6b. Check <u>only</u> if applicable and check <u>only</u> one box: <input type="checkbox"/> Agricultural Lien <input type="checkbox"/> Non-UCC Filing	
7. ALTERNATIVE DESIGNATION (if applicable): <input type="checkbox"/> Lessee/Lessor <input type="checkbox"/> Consignee/Consignor <input type="checkbox"/> Seller/Buyer <input type="checkbox"/> Bailee/Bailor <input type="checkbox"/> Licensee/Licenser	
8. OPTIONAL FILER REFERENCE DATA:	

Instructions for UCC Financing Statement (Form UCC1)

Please type or laser-print this form. Be sure it is completely legible. Read and follow all instructions, especially Instruction 1; use of the correct name for the Debtor is crucial.

Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. The filing office cannot give legal advice.

Send completed form and any attachments to the filing office, with the required fee.

ITEM INSTRUCTIONS

A and B. To assist filing offices that might wish to communicate with filer, filer may provide information in Item A and item B. These items are optional.

C. Complete Item C if filer desires an acknowledgment sent to them. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form the Acknowledgment Copy or a carbon or other copy of this form for use as an acknowledgment copy.

1. **Debtor's name.** Carefully review applicable statutory guidance about providing the debtor's name. Enter only one Debtor name in item 1 -- either an organization's name (1a) or an individual's name (1b). If any part of the Individual Debtor's name will not fit in line 1b, check the box in item 1, leave all of item 1 blank, check the box in item 9 of the Financing Statement Addendum (Form UCC1Ad) and enter the Individual Debtor name in item 10 of the Financing Statement Addendum (Form UCC1Ad). Enter Debtor's correct name. Do not abbreviate words that are not already abbreviated in the Debtor's name. If a portion of the Debtor's name consists of only an initial or an abbreviation rather than a full word, enter only the abbreviation or the initial. If the collateral is held in a trust and the Debtor name is the name of the trust, enter trust name in the Organization's Name box in item 1a.

1a. **Organization Debtor Name.** "Organization Name" means the name of an entity that is not a natural person. A sole proprietorship is not an organization, even if the individual proprietor does business under a trade name. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed public organic records to determine Debtor's correct name. Trade name is insufficient. If a corporate ending (e.g., corporation, limited partnership, limited liability company) is part of the Debtor's name, it must be included. Do not use words that are not part of the Debtor's name.

1b. **Individual Debtor Name.** "Individual Name" means the name of a natural person; this includes the name of an individual doing business as a sole proprietorship, whether or not operating under a trade name. The term includes the name of a decedent where collateral is being administered by a personal representative of the decedent. The term does not include the name of an entity, even if it contains, as part of the entity's name, the name of an individual. Prefixes (e.g., Mr., Mrs., Ms.) and titles (e.g., M.D.) are generally not part of an individual name. Indications of lineage (e.g., Jr., Sr., III) generally are not part of the individual's name, but may be entered in the Suffix box. Enter individual Debtor's surname (family name) in Individual's Surname box, first personal name in First Personal Name box, and all additional names in Additional Name(s)/Initial(s) box.

If a Debtor's name consists of only a single word, enter that word in Individual's Surname box and leave other boxes blank.

For both organization and individual Debtors. Do not use Debtor's trade name, DBA, AKA, FKA, division name, etc. In place of or combined with Debtor's correct name; filer may add such other names as additional Debtors if desired (but this is neither required nor recommended).

1c. Enter a mailing address for the Debtor named in item 1a or 1b.

2. **Additional Debtor's name.** If an additional Debtor is included, complete item 2, determined and formatted per instruction 1. For additional Debtors, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow instruction 1 for determining and formatting additional names.

3. **Secured Party's name.** Enter name and mailing address for Secured Party or Assignee who will be the Secured Party of record. For additional Secured Parties, attach either Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP). If there has been a full assignment of the initial Secured Party's right to be Secured Party of record before filing this form, either (1) enter Assignor Secured Party's name and mailing address in item 3 of this form and file an Amendment (Form UCC3) [see item 5 of that form]; or (2) enter Assignee's name and mailing address in item 3 of this form and, if desired, also attach Addendum (Form UCC1Ad) giving Assignor Secured Party's name and mailing address in item 11.

4. **Collateral.** Use item 4 to indicate the collateral covered by this financing statement. If space in item 4 is insufficient, continue the collateral description in item 12 of the Addendum (Form UCC1Ad) or attach additional page(s) and incorporate by reference in item 12 (e.g., See Exhibit A). Do not include social security numbers or other personally identifiable information.

Note: If this financing statement covers timber to be cut, covers as-extracted collateral, and/or is filed as a fixture filing, attach Addendum (Form UCC1Ad) and complete the required information in items 13, 14, 15, and 16.

5. If collateral is held in a trust or being administered by a decedent's personal representative, check the appropriate box in item 5. If more than one Debtor has an interest in the described collateral and the check box does not apply to the interest of all Debtors, the filer should consider filing a separate Financing Statement (Form UCC1) for each Debtor.

6a. If this financing statement relates to a Public-Finance Transaction, Manufactured-Home Transaction, or a Debtor is a Transmitting Utility, check the appropriate box in item 6a. If a Debtor is a Transmitting Utility and the initial financing statement is filed in connection with a Public-Finance Transaction or Manufactured-Home Transaction, check only that a Debtor is a Transmitting Utility.

6b. If this is an Agricultural Lien (as defined in applicable state's enactment of the Uniform Commercial Code) or if this is not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in item 6b and attach any other items required under other law.

7. **Alternative Designation.** If filer desires (at filer's option) to use the designations lessee and lessor, consignee and consignor, seller and buyer (such as in the case of the sale of a payment intangible, promissory note, account or chattel paper), bailee and bailor, or licensee and licensor instead of Debtor and Secured Party, check the appropriate box in item 7.

8. **Optional Filer Reference Data.** This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in item 8 any identifying information that filer may find useful. Do not include social security numbers or other personally identifiable information.

**EXHIBIT A TO UCC FINANCING STATEMENT
(HABITAT FOR HUMANITY OF GREATER LOS ANGELES)
COLLATERAL DESCRIPTION**

DEBTOR: HABITAT FOR HUMANITY OF GREATER LOS ANGELES
A California Non-Profit Public Benefits Corporation

SECURED PARTY: THE CITY OF LOS ANGELES,
A Municipal Corporation and Chartered City

Relating to the \$159,000 loan from the City of Los Angeles ("City") pursuant to a Loan Agreement dated [/]/2018 between the City and Habitat for Humanity of Greater Los Angeles, a California Non-profit Public Benefit Corporation.

COLLATERAL

All of the following-described estate, property and interest of Debtor now or hereafter acquired, together with all cash and noncash proceeds thereof: Real property located at:

9513 South Spring Street, Los Angeles, California 90003

All interest, estates of other claims, both in land and in equity which Trustor now has or may hereafter acquire in the Property: all buildings, structures, fixtures, improvements, signs and landscaping now or hereafter erected or located on the Property, including all equipment and machinery used for supplying or distributing heating, cooling, electricity, gas, water, air and light, all kitchen and laundry appliances such as washers, dryers, refrigerators, garbage disposals, ovens, ranges, dishwashers, all plumbing and bathroom fixtures, all extinguishment equipment, elevators, floor coverings, window coverings, paneling, cabinets, (provided, however, that Trustor shall have the right to remove, if necessary, such fixtures, furnishings and equipment for the purpose of replacement with similar items of the same quality performing the same functions, which replacements shall themselves become part of this grant); all building material and equipment either now or hereafter delivered to the Property and intended to be installed therein or any such material and equipment purchased with Loan proceeds whether or not located on the Property; all reserves, accounts, deferred payments, and refunds relating to development on the Property; all rents and income generated by the Property or improvements thereon (subject however to the assignment of rents to the lender contained herein); all leases, subleases and rental agreements covering the Property or any portion thereof now existing or hereafter entered into, and all interests of Trustor in security deposits, advance rentals, accounts, or payments of agreements; all easements and rights-of-way appurtenant to the Property, including parking and recreational easements, and all interests of Trustor in any land lying within the right-of-way of any street, sidewalks, and areas of land adjacent to or used in connection with the Property; all development rights and credits, air rights, water rights, and oil gas or mineral rights with respect to the Property; all claims or demands with respect to insurance proceeds, and all awards made for a taking by eminent domain; all interests and rights in any private or government grants, subsidies, loans or any other financing with respect to development on the Property; all interests in personal property used in and about the Property (except furniture and other personal property of occupants of dwelling units on the Property); all intangible property and rights relating to the Property or operations on the Property, including trade names, goodwill, trademarks, and service marks; all government permits, approvals, and map rights related to construction on the Property; all architectural, structural, and mechanical plans, specifications, designs, studies and data with respect to construction of improvements on the Property; all current and future claims and rights of action of Trustor against owners and operators, tenants and former tenants, consultants, advisors and other third parties with respect to environmental or Hazardous Materials contamination and cleanup of the Property under any federal, state or local ordinances, statutes, regulations, or administrative decisions or common law.

**EXHIBIT B TO UCC FINANCING STATEMENT
(HABITAT FOR HUMANITY OF GREATER LOS ANGELES)
PROPERTY DESCRIPTION**

LEGAL DESCRIPTION

Real property in the City of Los Angeles, County of Los Angeles, State of California, described as follows:

LOT 5 OF TRACT NO. 4055, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39, PAGE 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT TO PENETRATE, USE OR DISTURB SAID PROPERTY WITHIN 500 FEET IN THE SURFACE THEREOF, AS EXCEPTED AND RESERVED IN DEED RECORDED NOVEMBER 6, 1992 AS INSTRUMENT NO. 92-2047803.

ASSESSOR'S IDENTIFICATION NUMBERS: 6053-006-904

COMMON ADDRESSES:

9513 South Spring Street
Los Angeles, California 90003

BORROWER:

HABITAT FOR HUMANITY OF GREATER LOS ANGELES
A California non-profit public benefits corporation

**EXHIBIT C TO UCC FINANCING STATEMENT
(HABITAT FOR HUMANITY OF GREATER LOS ANGELES)
DESCRIPTION OF IMPROVEMENTS, PLANS AND SPECIFICATIONS**

1. Improvements: The improvements ("Improvements") consisting of: (1) Single Family Dwelling with a Junior Accessory Dwelling Unit
2. Plans and Specifications: The plans and specifications, as of the date hereof, are those, which Borrower has heretofore, or will hereafter deliver to the Lender.

EXHIBIT K

ASSIGNMENT OF ARCHITECT'S CONTRACTS AND PLANS
AND SPECIFICATIONS AND PERMITS

EXHIBIT "K"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

ASSIGNMENT OF ARCHITECT'S CONTRACT
AND PLANS AND SPECIFICATIONS AND PERMITS
(With Architect's Consent and Certificate)

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged Habitat for Humanity of Greater Los Angeles, a California non-profit public benefit corporation (the "Borrower"), as security for the obligations incurred and to be incurred by Borrower pursuant to the City Loan Agreement dated _____, 2018 (the "City Loan Agreement") between Borrower and the City of Los Angeles, a municipal corporation ("City"), acting by and through the Los Angeles Housing and Community Investment Department ("City, "Department" or HCID") relating to the acquisition of certain real property and development of: (1) a 1,149 square foot, 3-bedroom, 2-bath single family home with a 457 square foot, 2-car garage ("SFD") and a 494 square foot, 1-bedroom, 1-bathroom junior accessory dwelling unit ("Junior ADU") without parking, to be collectively used by the Eligible Household as a 4 BDRM unit (both the SFD and Junior ADU shall include air-conditioning, an oven, a refrigerator, microwave, private backyard and drought tolerant plants with smart irrigation, the SFD shall be solar power ready and the garage shall be EV plug in ready with a 22 volt outlet installation and the SFD and the Junior ADU shall be surrounded by a 6 foot wooden fence) (the SFD and the Junior ADU, are hereinafter sometimes collectively referred to as the "Project" or the "Improvements") on said certain real property located at and commonly known as 9513 South Spring Street, in the City of Los Angeles, County of Los Angeles, California 90003 (the "Property"), as legally described in Exhibit "A" to the City Loan Agreement, hereby assigns and transfers to the City of Los Angeles ("City"), its successors and assigns, all of (1) Borrower's rights in and to those certain Plans and Specifications together with all amendments, modifications, supplements, general conditions and addenda thereto relating to the Property, prepared pursuant to the City Loan Agreement (the "Plans") by Robert D. Delle ("Architect"), (2) Borrower's right, title and interest in that certain agreement dated _____, between Borrower and Architect, a true and complete copy of which is attached hereto and incorporated herein by reference as Exhibit "K(A)" (the "Contract"), and (3) all permits to be obtained by or for

the benefit of Borrower relating to the Plans or the Project ("Permits"). Architect consents to this Assignment, and has executed the Consent and Certificate attached hereto as Exhibit "K(B)" and incorporated herein by this reference.

Neither this Assignment nor any action or actions on the part of the City shall constitute an assumption by the City of any of Borrower's obligations under the Contract unless and until the City shall have given written notice to Architect of its election to complete construction of the Project following a default by Borrower under the City Loan Agreement. Borrower shall continue to be liable for all obligations under the Contract and Borrower hereby agrees to perform each and all such obligations. In the event of a default under the City Loan Agreement, the City may elect to reassign its rights to the Plans, the Permits and the specifications under the Contract to any person or entity selected by the City to complete the Project. Such person or entity shall succeed to all of the rights of Borrower thereunder without the necessity of any consent from Borrower or Architect and the City shall have no liability for any failure of such person or entity to perform the obligations under the Contract. Provided, however, that in the event the City reassigns its rights to the Plans to another person or entity, the Architect's name shall not be used in connection therewith unless the Architect so approves in writing.


Borrower hereby represents and warrants to the City that (1) the Contract is in full force and effect with no defaults thereunder by either Borrower or Architect, (2) no event has occurred that would constitute a default under the Contract upon the giving of notice or the lapse of time or both, and (3) Borrower has made no previous assignment of, and granted no security interest in, its rights to the Plans, the Permits or the specifications under the Contract. Borrower agrees that (a) it will not assign, transfer or encumber its rights to the Plans, the Permits or under the Contract so long as any obligation under the City Loan Agreement remains unsatisfied, (b) it will not agree to any amendment of the Contract without the prior written consent of the City, (c) it will not terminate the Contract or accept a surrender thereof, or waive, excuse, condone or in any manner release or discharge Architect of or from the obligations and agreements by Architect to be performed thereunder, in the manner and at the place and time specified therein without the prior written consent of the City, and (d) it will indemnify the City against any liabilities, losses, costs and expenses, including reasonable attorneys' fees, which

may be incurred by the City as a result of the exercise of its rights under this Assignment.

The City shall have the right at any time (but shall have no obligation) to take in its name or in the name of Borrower or otherwise such action as the City may at the time or from time to time determine to be necessary to cure any default under the Contract, to protect the rights of Borrower or the City thereunder, or enforce all rights of Borrower under the Contract, Borrower hereby irrevocably constitutes and appoints the City its true and lawful attorney in Borrower's name or in the City's name or otherwise to take all such action. The exercise of the City's rights hereunder shall not constitute a waiver of any of the remedies of the City under the City Loan Agreement or any other document or agreement or otherwise existing at law or otherwise.

Date 8/31/18

HABITAT FOR HUMANITY
OF GREATER LOS ANGELES,
a California non-profit public benefit corporation

By: 
ERIN RANK
Its: President and CEO

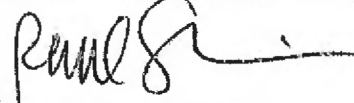
By: 
RAUL SALINAS
Its: Secretary

EXHIBIT "K(A)"
ASSIGNMENT OF ARCHITECT'S CONTRACT
AND PLANS AND SPECIFICATIONS AND PERMITS
(With Architect's Consent and Certificate)

HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

ARCHITECT'S CONTRACT

[To Be Added]

EXHIBIT "K(B)"
ASSIGNMENT OF ARCHITECT'S CONTRACT
AND PLANS AND SPECIFICATIONS AND PERMITS
(With Architect's Consent and Certificate)

HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

CONSENT AND CERTIFICATE

Pursuant to that certain assignment of Architect's Contract and Plans and Specifications and Permits (the "Assignment") executed by Habitat for Humanity of Greater Los Angeles, a California non-profit public benefit corporation ("Borrower") on _____, 2018 the undersigned, as Architect, hereby consents to the assignment by Borrower of the Plans (all defined terms herein shall have the meaning defined in the Assignment), the Permits and the Contract to the City of Los Angeles, a municipal corporation and charter city ("the City"), and to each and all of the terms and conditions of such attached assignment and confirms to the City that (a) the Contract constitutes the entire agreement between the undersigned and Borrower relating to the Project, (b) the Contract is in full force and effect with no defaults thereunder, (c) no event has occurred that would constitute a default under the Contract upon the giving of notice or the lapse of time or both, (d) no material modification shall be made in the Contract without the prior written consent of the City, (e) the undersigned agrees to be bound by the provisions of the City Loan Agreement restricting the ability of Borrower to make changes in the Plans without the prior written consent of the City, (f) the undersigned is not aware of any prior assignment of the Plans, the Permits or the Contract by Borrower, and (g) a complete copy of the Plans and all Permits will be delivered to the City. The undersigned agrees that in the event of any default by Borrower under the Contract, the undersigned will give written notice to the City thereof and the City shall have the right, but not the obligation, to cure said default within sixty (60) days from the City's receipt of such notice.

The undersigned further agrees that in the event the City becomes the owner of the Project, or undertakes to complete construction thereof, or assigns its rights to the Plans, the Permits and the specifications under the Contract to another person or entity, or otherwise requires the use of the Plans, the Permits and the specifications, the City, its successors and assigns are authorized to use the Plans, the Permits and the

specifications without additional cost or expense beyond that stated in the Contract, all rights under the Contract otherwise exercisable by Borrower may be exercised by the City or such successor or assign, and the undersigned will perform its obligations in conformity with the Contract for the benefit of the City, its successors or assigns.

In order to induce the City to enter into the City Loan Agreement and make the advances contemplated therein, the undersigned certifies to the City as follows:

- (a) As represented in the Plans, the Development will comply with (1) all statutes, rules, regulations and ordinances of all governmental agencies having jurisdiction over the Project, including, without limitation, those relating to zoning, building, pollution control and energy use; (2) all applicable covenants, conditions and restrictions affecting the Property and the Project, and (3) the requirements of the appropriate board of fire underwriters.
- (b) Construction of the Project in accordance with the Plans will not result in any encroachment on any adjoining property or on any surface easement.
- (c) The Plans will include (1) any recommendations contained in any soil or other geological test performed on the Property, and (2) parking for cars sufficient to meet the requirements of all applicable statutes, rules, regulations, ordinances, tract map conditions and leases.
- (d) The undersigned is duly licensed to conduct its business in the jurisdiction where its services are to be performed and will maintain such license in full force and effect throughout the term of the Contract.

The City shall have the right at any time to use all plans, specifications and drawings from the Project prepared by or for the undersigned for the Project, including, without limitation, the Plans, and the ideas, designs and concepts contained therein, without payment of any additional fees or charges to the undersigned for such use.

The undersigned hereby assigns to the City all of the undersigned's right, title and interest in, to and under all

subcontracts which are now or hereafter entered into by the undersigned in furtherance of its obligations under the Contract; provided, however, that until a default occurs by the undersigned under the Contract, the City shall not exercise any rights in the subcontracts which are hereby assigned.

The undersigned acknowledges that the City is relying on, among other things, the Consent, confirmations, agreements and assurances provided herein in entering into the City Loan Agreement and agreeing to advance funds thereunder to Borrower for construction of the Project.

DATED: 8/31/18

ARCHITECT:

By: 

Title DIRECTOR OF HOUSING DEVELOPMENT

EXHIBIT L
SCHEDULE OF PERFORMANCE

EXHIBIT "L"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

SCHEDULE OF PERFORMANCE

Pre-Development/Entitlement	March 2018
Home Owner's Selection:	June 2018
Concept/Construction Loan Agreement Approval	September 2018
Submit for Building Plan Check:	September 2018
Permits Issued:	September 2018
Construction Begins:	September 2018
Construction Complete:	March 2019
Sale of Home:	May 2019

EXHIBIT M
CITY REGULATORY AGREEMENT

EXHIBIT "M"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

NO FEE DOCUMENT

Recording requested by and
when recorded, mail to:

City of Los Angeles
City of Los Angeles Housing and Community Investment Department
P.O. Box 532729
Los Angeles, CA 90053-2729
Attn: Asset Management

Assessor's Identification Number: 6053-006-904

CITY REGULATORY AGREEMENT
(RE-SALE RESTRICTED PROPERTY)

This Regulatory Agreement ("City Regulatory Agreement") is made this _____ day of _____ 2018 by and between the City of Los Angeles, a municipal corporation (the "City") acting by and through the Los Angeles Housing and Community Investment Department ("City", "Department" or "HCID"), and HABITAT FOR HUMANITY OF GREATER LOS ANGELES, a California non-profit public benefit corporation ("Owner", "Borrower", "Habitat").

RECITALS

A. WHEREAS, the City wishes to promote the construction of homeownership opportunities and preservation of affordable housing within the City of Los Angeles; and

B. WHEREAS, following a competitive process, pursuant to Los Angeles Administrative Code Section ("LAMC") 22.606.2(c), the City conveyed City-owned real property acquired with Bunker Hill Housing Funds, located at and commonly known as: 9513 South Spring Street, Los Angeles, CA 90003 (the "Property") (legally described in Exhibit "A" hereto) to Owner for its fair reuse value of ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000.00) ("City Loan"), the amount of which is secured by a City Note and City Deed of Trust; and

C. WHEREAS, the Owner, now the fee-owner of the Property, sought to acquire the Property for purpose of the development and construction of a for-sale project ("Project" or "Improvements" discussed below) to be built on the Property; and

D. WHEREAS, upon completion of the Project, the Borrower shall sell it to an Eligible Household for no more than the Maximum Sales Price, who must use the Project as their primary residence for the duration of their ownership and in the in the event of any re-sale by an Eligible Household during the term of this City Regulatory Agreement, the Property must be re-sold to another Eligible Household at the Maximum Sales Price; and

E. WHEREAS, in order for the City to convey real property at its fair reuse value, there must be one or more agreements in place and one or more deed restriction recorded, requiring the development, use and maintenance of the Property for affordable housing purposes for such a period of time as is determined by the City to be appropriate; and

F. WHEREAS, in addition to the deed restriction recorded on the Property requiring the continued use of the Property as owner-occupied affordable housing, the Project shall also be subject to this City Regulatory Agreement, which places re-sale restrictions on the Property for a period of thirty (30) years from the date of issuance of a Certificate Occupancy or Certificate of Completion, if applicable, for the Project; and

G. WHEREAS, the purpose of this City Regulatory Agreement is to regulate and restrict the use and occupancy and Maximum Sales Price of the Project to ensure the continued use of the Project as affordable housing for the benefit of Property, Owners and the people of the City of Los Angeles. The covenants in this City Regulatory Agreement are intended to run with the land and be binding on Owner and Owner's successors for the full term of this City Regulatory Agreement.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, and in further consideration for the aforementioned funding, Owner and City hereby agree as follows:

[Remainder of this page intentionally left blank]

1. Fundamental Provisions.

(a) Property Address: 9513 South Spring Street
Los Angeles, CA 90003

(b) Owner's Contact Information: (c) Owner's Representative:

Darrell Simien Senior Vice President Community Development Habitat for Humanity of Greater Los Angeles 8739 Artesia Blvd. Bellflower, CA 90706 310.738.0108 Mobile 310.323.HOME(4663) x 202 Office dsimien@habitatla.org	SAME AS (b)
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2. Definitions.

For purposes of this Agreement, the terms listed below shall have the meanings thereafter specified. Any definitions that do not appear below, shall be given the meaning in Exhibit "B" to the City Loan Agreement.

(a) Agreement. "Agreement" means this "City Regulatory Agreement" between the City and the Owner.

(b) Area Median Income. "Area Median Income" means the median family income of a geographic area of the state, as annually estimated by the United States Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937. In the event these federal determinations of area median income are discontinued, the department shall establish and publish as regulations income limits for persons and families of median income for all geographic areas of the state at 100 percent of area median income, and for persons and families of low or moderate income for all geographic areas of the state at 120 percent of area median income. These income limits shall be adjusted for family size and shall be revised annually.

(c) City Soft Second Loan. "City Soft Second Loan" refers to the soft second loan in the amount of (ONE HUNDRED AND FIFTY NINE THOUSAND DOLLARS (\$159,000)) that the City will make to the Eligible Household buyer of the completed Project in order to

assist with the purchase of the Project. The City Soft Second Loan will be for a term of thirty (30) years at zero percent (0%) interest. Re-sale restrictions and shared appreciation provisions shall also apply.

(d) Eligible Household. An "Eligible Household" means a household that qualifies at or below "Moderate Income", whose eligibility has been certified by the Department. An Eligible Household must qualify for and accept a City Soft Second Loan to assist with the purchase of the Project.

(e) Household Income. "Household Income" means the current gross amount of income of all adult household members that is anticipated to be received during the coming twelve (12)-month period, including the income of temporarily absentee family members, welfare assistance payments, and other such criteria determined in accordance with the definition of Annual Income found in 24 CFR 5.609, formerly referred to as the Section 8 definition of income.

(f) Immediate Family. "Immediate Family" includes domestic partner and/or those persons related by blood, marriage and adoption, such as husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, his or her significant other, and his or her domestic partner.

(g) Income Adjustment Factor. The "Income Adjustment Factor" is used to establish the Maximum Purchase Price for the Project to be paid by an Eligible Household. The "Income Adjustment Factor" shall be the following figures based upon the corresponding number of persons in the household in the restricted Project, as periodically published by the U.S. Department of Housing and Urban Development ("HUD").

<u>Persons in Household</u>	<u>Income Adjustment Factor</u>
1	0.7
2	0.8
3	0.9
4	1.00
5	1.08
6	1.16
7	1.24
8	1.32

(h) Maximum Purchase Price. "Maximum Purchase Price" means the maximum price to be paid by an Eligible Household for the purchase of the Project, which price, shall be determined by the Department on an annual basis as set forth in Exhibit "B". Pursuant to California Health and Safety Code Section 50052.5, Maximum Purchase Price may not exceed the product of 35% times 110% of Area Median Income adjusted for family size appropriate for the Project ("adjusted for family size appropriate to the unit" shall mean for a household of one person in the case of a studio unit, two persons in the case of a one-bedroom unit, three persons in the case of a two-bedroom unit, four persons in the case of a three-bedroom unit, and five persons in the case of a four-bedroom unit).

(i) Moderate Income Household. A "Moderate Income Household" means persons or families of Low or Moderate Income whose income exceeds the limit for Lower Income Households for Los Angeles County, by the California Department of Housing and Community Development ("HCD") established by the Department from time to time to reflect updates of Area Median Income estimates, as set forth in Exhibit "B".

(j) Owner. "Owner" means each person or entity holding a record ownership Interest in the Property, their successors and assignees, transferees, heirs, executors, administrators or duly authorized agents. Owner shall not include persons or entities who/which hold an interest merely as security for the performance of an obligation. Owner shall not include persons or entities after they have ceased to hold a record ownership interest in the Property.

(k) Project. "Project" refers the affordable for-sale home-ownership project that Owner shall develop and construct on the Property consisting of: (1) a 1,149 square foot, 3-bedroom, 2-bath single family home with a 457 square foot, 2-car garage ("SFD") and a 494 square foot, 1-bedroom, 1-bathroom junior accessory dwelling unit ("Junior ADU") without parking, to be collectively used by Eligible Household as a 4-bedroom, primary residence for the duration of their ownership. Both the SFD and Junior ADU shall include air-conditioning, an oven, a refrigerator, microwave, private backyard and drought tolerant plants with smart irrigation. The SFD shall be solar power ready and the garage shall be EV plug in ready with a 22 volt outlet installation. The SFD and the Junior ADU shall be surrounded by a 6 foot wooden fence. The SFD and the Junior ADU, are hereinafter sometimes collectively referred to as the "Project" or the "Improvements."

(1) Property. "Property" means that certain real property and the Project to be situated thereon, located at and commonly known as 9513 South Spring Street, Los Angeles, CA 90003 in the City of Los Angeles, County of Los Angeles, State of California, which address is set forth in Section 1(a) hereof, and whose legal description is set forth in Exhibit "A."

3. Term.

The covenants and conditions contained herein shall run with and burden the Property for a period of thirty (30) years from the date of the Certificate of Occupancy or Certificate of Completion, if applicable, of the Project in accordance with the provisions hereof. If certificates for the Project (i.e. for the SFD and Junior ADU portions of the Project) are issued on different dates, the date of the last issued certificate controls for purposes of calculating the term of this City Regulatory Agreement. Each Owner shall expressly make the conditions and covenants in this City Regulatory Agreement a part of any deed or other instrument conveying any interest in the Property. In the event an Owner is determined by the City to be out of compliance with the terms of this City Regulatory Agreement, the Owner agrees to extend the term of this City Regulatory Agreement, accordingly.

4. Compliance with City Loan Documents. Owner's actions with respect to the Property and the use of City Loan funds shall at all times be in full conformity with all of the requirements of the City Loan Documents.

5. Compliance with Funding Requirements. Each Owner must comply with all the requirements imposed on the Property by the applicable funding sources:

- A. Bunker Hill Housing Funds.
- B. Any other implementing rules and regulations are incorporated by this reference.
- C. In the event of any conflict between this City Regulatory Agreement and the regulations of the applicable source of funds, the most restrictive requirement shall govern.

6. Buyer Qualification.

This Project shall be reserved and sold only to Eligible Households. The Maximum Purchase Price to be paid by an Eligible Household shall be established as set forth in Exhibit "B."

7. Buyer Self-Certification.

Before approving any buyer for the purchase of the Project, Owner shall require each prospective Eligible Household buyer to certify under penalty of perjury that they are not: (a) an Owner, developer, or sponsor of the Property, (b) an officer, employee, agent or consultant, or elected or appointed official of an Owner, developer or sponsor of the Property; or (c) a member of the Immediate Family of any such person described in subsections (a) or (b). Owner shall not sell the Project to any said individuals.

8. Sale and Re-Sale Restrictions.

All of the provisions of Sections (a) through (p) inclusive of Section 8 ("Sale and Re-sale Restrictions"), Section 9 ("Project Must Be Used as PRIMARY RESIDENCE ONLY") and Section 10 ("Utilization of Project") shall apply to both the initial sale of the Project by the original Owner and any subsequent resale of the Project by any subsequent Owner.

(a) Owner agrees to sell the Project to only Eligible Households.

(b) Owner agrees to notify the Department in writing, of the Owner's intent to offer the Project for sale at least five (5) days prior to offering the Project for sale to the public.

(c) Owner shall make reasonable efforts to advertise the availability of the Project for purchase to Eligible Households and encourage their participation in applying for and purchasing the Project (see Section 14-Affirmative Marketing).

(d) Owner shall only offer the Project for sale to Eligible Households, but may sell the Project to any Eligible Household of the Owner's choosing, subject to certification of eligibility by the Department, as required by paragraph (e) below.

(e) Using the forms provided by the Department, the Owner shall request the City to certify the eligibility of any prospective Eligible Household buyer of the Project. Accompanying any request for such a determination, the Owner shall cause the prospective Eligible Household buyer to provide the City a statement, made under penalty of perjury, expressing prospective Eligible Household buyer's intent to: (1) occupy the Project as prospective Eligible Household buyer's primary residence within sixty (60) days after the close of escrow and (2) maintain the Project as prospective Eligible Household buyer's primary residence so long as they own the Project.

NOTE: If the Department has not certified a prospective Eligible Household buyer as an Eligible Household, then the prospective Eligible Household buyer, is not an Eligible Household and may not reside at the Project, unless and until they are certified by the Department as an Eligible Household.

(f) Owner shall verify the prospective Eligible Household buyer's eligibility using the household's income tax records, employment records, paystubs, bank statements, benefit statements or other records deemed appropriate by the City, and shall require from each prospective Eligible Household buyer a statement that such household's projected future income from all sources does not exceed allowable limits. This statement shall be signed by the household's adult members under penalty of perjury. In the event that the prospective Eligible Household buyer may be claimed as a dependent for purposes of another party's (such as parents) income taxes, in addition to the items mentioned above for the prospective Eligible Household, the same items must be produced for any party who may claim the prospective Eligible Household buyer as a dependent.

(g) Owner shall request the Department to determine and certify the eligibility of any prospective Eligible Household buyer by submitting the required documentation, as determined by the Department.

(h) Income Certification Required. Within ten (10) business days of the complete submission of all required income eligibility documents, the Department make every effort to furnish the Owner with:

- (1) A determination that the prospective Eligible Income buyer is an Eligible Household; or
- (2) A determination that the prospective Eligible Income buyer is not an Eligible Household; or
- (3) A statement that specified additional information is required to enable the City to make its determination.

The time frame of ten (10) business days shall begin to run only upon the submission by the Owner of the full and complete required documents as determined by the Department. Failure to hear from the Department within the aforementioned ten (10) business day period DOES NOT mean the prospective Eligible Household buyer has been deemed approved. Owner must contact the Department for an update.

(i) Owner agrees to notify the Department in writing prior to the closing date of a sale of the Project and shall provide the name of the Eligible Household buyer, the sales price, a copy of the proposed Grant Deed, contact information including the Eligible Household buyer's mailing address, telephone number, and email address and a copy of the Department's Determination that the Eligible Household buyer was certified by as an Eligible Household.

(j) Owner agrees to incorporate the provisions of this City Regulatory Agreement into grant deeds or other documents transferring title to the Project and to provide a copy of this City Regulatory Agreement to any of its transferees, successors and assigns in ownership of the Property.

(k) Penalties (Sales Restrictions). In the event that the Project is purchased by an ineligible buyer/Owner and the ineligible buyer/Owner occupies the Project, the ineligible buyer/Owner expressly agrees to vacate the Project upon 60-days notice from the City, agrees to immediately sell the Project to an Eligible Household and pay the City a penalty of \$10,000. For each day that the ineligible buyer/Owner fails to vacate the Project after the expiration of the 60-days notice, an additional penalty of \$2,500 per day shall accrue. An additional fine of \$2,500 per day shall accrue if the Project is not sold to an Eligible Household within 30 days of the expiration of the 60-day notice from the City.

(l) Repayment. In the event that that any Owner sells the Project to an Eligible Household at a sales price above the Maximum Sales Price as indicated in Exhibit "B" (or the then current maximum sales price as updated to reflect HCD updates of Area Median Income estimates) the Owner agrees to repay the overcharged Eligible Household buyer the difference between the disallowed sales price and the Maximum Purchase Price allowed in this City Regulatory Agreement within ten (10) days of the City's written request. Written proof of such repayment shall be provided to the City within ten (10) days of such repayment.

(m) If the Property is transferred in any manner or is acquired at a foreclosure sale under any deed of trust or mortgage encumbering the Property and/or improvements thereon or by deed in lieu of foreclosure prior to the time the Project is constructed, title to the Property shall be taken subject to the limitations provided herein.

(n) If the Project is transferred in any manner or is acquired at a foreclosure sale under any deed of trust or mortgage encumbering the Project or by deed in lieu of foreclosure, then the transferee, as Owner, shall be subject to all the conditions, limitations and restrictions provided for in this City Regulatory Agreement.

(o) Resale Restrictions. In the event of any re-sale during the term of this City Regulatory Agreement, the Project must be sold to an Eligible Household at a price not to exceed the Maximum Purchase Price as set forth in Exhibit "B." These prices are subject to change to reflect HCD updates of Area Median Income estimates for Maximum Purchase Prices and income levels.

(p) Shared Appreciation. At the end of this term of this City Regulatory Agreement, in addition to the balance of the City Loan due, upon the first sale of the Project for market value, the then-Owner of the Project shall pay the City its shared appreciation in the Project, as defined and calculated in accordance with the terms of his or her Soft Second City Loan documents.

9. Project Must Be Used as PRIMARY RESIDENCE ONLY.

The Project shall not be rented out and shall be used as Eligible Household's primary residence only. Any rent(s) collected in violation of this City Regulatory Agreement shall be forfeited by the offending Owner and immediately paid to the City.

10. Utilization of Project.

The Project required to be provided by this City Regulatory Agreement shall be sold and fully utilized in a manner consistent with the Space and Occupancy Standards set forth in the Los Angeles Municipal Code, Chapter IX, Article 1, and the Uniform Housing Code, Chapter V.

11. Federal and State Laws.

Notwithstanding the above provisions, nothing contained herein shall require the Owner or the City to do anything contrary to or refrain from doing anything required by Federal and State laws and regulations promulgated thereunder applicable to the construction, management, maintenance, and sale of the Project. Owner further expressly agrees to obey all applicable laws as to the Property, including but not limited to the Americans with Disabilities Act, if applicable.

12. Binding on Successors and Assigns.

This City Regulatory Agreement shall be an equitable

servitude and a covenant running with the land as a burden on the Property, shall be binding upon the Owner and its successors and assigns in ownership of the Property, and shall be binding upon and inure to the benefit of the City, and its successors, and assigns in the ownership or administration of the adjacent public streets. The City reserves the right to designate another public agency to perform the City's obligations or to exercise the City's rights under this City Regulatory Agreement.

13. Prohibition against Discrimination.

The Owner shall not discriminate against any buyer or potential buyer of the Project, on the basis of race, color, religion, creed, sex, age, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, genetic information or medical condition, including the actual or perceived affliction of AIDS or the HIV virus.

14. Affirmative Marketing of the Property.

For purposes of the initial sale of the Project and any subsequent resale during the term of this City Regulatory Agreement, the Owner shall make reasonable efforts to advertise to Eligible Households and encourage their participation in applying to purchase the Project by immediately advertising the availability of the Project on the internet-based City of Los Angeles Housing Resource Center at <http://housing.lacity.org>.

15. Enforcement Provisions.

The parties hereto, or their respective successors, heirs or assigns may enforce any of the terms, covenants or conditions contained in this City Regulatory Agreement through any proceedings allowed at law or in equity. They may commence and maintain actions for damages or to restrain and enjoin any actual or threatened breach of any provision of this City Regulatory Agreement. Any remedy provided for herein shall not be exclusive or preclude the parties hereto or their respective successors, heirs and assigns from exercising any other remedy available under this City Regulatory Agreement, or under provisions of law, nor shall any action taken in the exercise of any remedy be deemed a waiver of any right or remedies available to such parties. It is understood and agreed that no waiver of a breach of any of the provisions of this City Regulatory Agreement shall be construed as a waiver of any other breach; nor shall failure to enforce any portion of this City Regulatory Agreement be construed as a waiver of any of the conditions of this City Regulatory Agreement.

16. Administrative.

The General Manager of the Department or the General Manager's designee shall have the authority to act on behalf of the Department, in carrying out the Department's obligations under this City Regulatory Agreement.

17. Notices.

All notices required under this City Regulatory Agreement shall be in writing, which includes email sent to the Owner at the address(es) set forth in Section 1(j), and to the City represented by the:

LOS ANGELES HOUSING AND COMMUNITY INVESTMENT DEPARTMENT
1200 W. 7TH STREET, 8TH FLOOR
LOS ANGELES, CA 90017
ATTENTION: OCCUPANCY MONITORING

18. Authority.

Each Party to this City Regulatory Agreement hereby represents and warrants that each person executing this City Regulatory Agreement on behalf of a party has the right, power, legal capacity and authority to enter into and perform under the City Regulatory Agreement, that no approval or consent of any other persons are necessary and that the City Regulatory Agreement constitutes a valid and binding obligation of such Party, enforceable against such Party.

19. Recording of Agreement.

The parties hereto shall cause this City Regulatory Agreement to be recorded in the Official Records of the County of Los Angeles.

20. Amendments.

This City Regulatory Agreement may be amended only by a written instrument signed by both the City and the Owner. Owner agrees to pay any applicable fees to the Department for any required amendment(s) to this City Regulatory Agreement necessitated by Owner, including but not limited to those caused by non-compliance issues and any assignment, assumption and consent agreements required upon re-sale.

21. No Third-Party Right of Enforcement.

No third party beneficiary rights are intended to be created by this City Regulatory Agreement. Specifically, no person or persons whether a member of an Eligible Household or not, shall be entitled to claim that he, she or they are entitled to purchase

the Project under the terms of this City Regulatory Agreement.

22. Governing Law.

This City Regulatory Agreement shall be interpreted under and be governed by the laws of the State of California.

23. Counterparts.

This City Regulatory Agreement may be executed in counterparts, each of which, when the parties hereto have signed this City Regulatory Agreement, shall be one and the same instrument.

24. Entire Agreement.

The provisions herein constitute the entire agreement between the parties hereto. Each party to this City Regulatory Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party or anyone acting on behalf of any party, which are not embodied herein, and that any other agreement, statement, or promise not contained in this City Regulatory Agreement shall not be valid or binding EXCEPT MORE RESTRICTIVE AGREEMENTS.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the City and the Owner has caused this Agreement to be executed by its authorized representatives.

APPROVED AS TO FORM:
MICHAEL N. FEUER, City
Attorney

By: _____
Deputy City Attorney

Date: _____

ATTEST:
HOLLY WOLCOTT, City Clerk

By: _____
Deputy City Clerk

Date: _____

(Contractor Corporate Seal)

Council File Number:

Date Council Adopted:

Said Agreement is Number

of City Contracts

SIGNATURES MUST BE NOTARIZED
FOR RECORDING

Executed this _____ day of

_____, 2018
For: THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES
General Manager
Los Angeles Housing and Community
Investment Department

By: _____
SEAN L. SPEAR
Its: Assistant General
Manager Housing Development
Bureau

Executed this 31st day of
AUGUST, 2018

For: OWNER

HABITAT FOR HUMANITY
OF GREATER LOS ANGELES,
a California non-profit public
benefit corporation

By: Erin Rank
ERIN RANK
Its: President and CEO

By: Raul Salinas
RAUL SALINAS
Its: Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

On August 31, 2018 before me, Sherry DeLeo, Notary Public

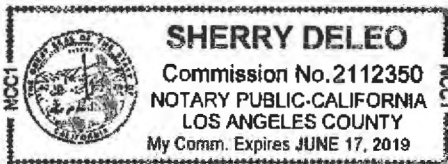
Date

Here Insert Name and Title of the Officer

personally appeared ERIN RANK AND PAUL SALINAS

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Sherry DeLeo

Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Exhibit "M" City Loan Agreement City Regulatory Agreement

Document Date: not dated

Number of Pages: seventeen

Signer(s) Other Than Named Above: (2) of (5) signers present

Capacity(ies) Claimed by Signer(s)

Signer's Name: ERIN RANK

☒ Corporate Officer - Title(s): Pres. & CEO

☐ Partner -- ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian of Conservator

☐ Other: _____

Signer is Representing: _____

Signer's Name: PAUL SALINAS

☐ Corporate Officer - Title(s): _____

☐ Partner -- ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian of Conservator

☒ Other: Secretary

Signer is Representing: _____

EXHIBIT "A"
CITY REGULATORY AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 5 OF TRACT NO. 4055, IN THE CITY OF LOS ANGELES, COUNTY OF
LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39,
PAGE 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID
COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER
ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT
TO PENETRATE, USE OR DISTURB SAID PROPERTY WITHIN 500 FEET IN THE
SURFACE THEREOF, AS EXCEPTED AND RESERVED IN DEED RECORDED
NOVEMBER 6, 1992 AS INSTRUMENT NO. 92-2047803.

ASSESSOR'S IDENTIFICATION NUMBER: 6053-006-904

COMMON ADDRESS: 9513 South Spring Street, Los Angeles, CA
90003

OWNER: Habitat for Humanity of Greater Los Angeles,
a California non-profit public benefit
corporation

[Remainder of this page intentionally left blank]

EXHIBIT "B"
CITY REGULATORY AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

MAXIMUM ALLOWABLE PURCHASE PRICES- 2018

MODERATE INCOME HOUSEHOLD - 110% AMI

Bedroom Size	MAXIMUM SALES PRICE TO BE PAID BY AN ELIGIBLE HOUSEHOLD
Four	\$292,700

MAXIMUM ALLOWABLE INCOME - 2018

Household Size	Moderate Income
1	\$53,350
2	\$60,995
3	\$68,585
4	\$76,230
5	\$82,335
6	\$88,440
7	\$94,455
8	\$100,650

This table is subject to change to reflect HCD updates of Area Median
Income estimates.

EXHIBIT N

MAYOR'S EXECUTIVE ORDER NO. 2001-26



CITY HALL
LOS ANGELES, CALIFORNIA 90012
(213) 247-3400

OFFICE OF THE MAYOR

RICHARD J. RORDAN
MAYOR

EXECUTIVE DIRECTIVE NO. 2001-26

February 8, 2001

**TO: THE HEADS OF ALL DEPARTMENTS, OFFICES
AND COMMISSIONS OF CITY GOVERNMENT**

**SUBJECT: CITY OF LOS ANGELES MINORITY, WOMEN
AND OTHER BUSINESS ENTERPRISE PROGRAM**

Effective immediately, each department (Awarding Authority) which issues invitations for bids or requests for proposals (RFPs) for work to be performed under contracts awarded by the City of Los Angeles shall implement this directive by utilizing the outreach program set forth herein.

It is the policy of the City of Los Angeles to provide Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and all Other Business Enterprises (OBEs) an equal opportunity to participate in the performance of all city contracts. This policy applies to all City Departments, Proprietary Departments, and Boards and Commissions, which may, by their authority, award construction, procurement, and personal service contracts.

The Mayor's Office of Economic Development (MOED) shall have the primary responsibility for coordinating and managing city business development and outreach efforts designed to enhance business opportunities for minority, women, and other business enterprises, including small local businesses.

In coordination with the Mayor's Office of Economic Development, the heads of all departments of city government shall be responsible for developing, managing, and implementing the MBE, WBE, and OBE policy and program. Departments are required

¹ For the purposes of this Executive Directive, "minority group member" shall be synonymous with "minority person" as defined in the code of Federal Regulations, 41CFR, Part 26.



to submit a quarterly report covering the activities and their outcomes relating to the efforts undertaken by the respective Departments to implement the minority, women, and other business enterprise program outlined in this Directive.

All Awarding Authorities which issue invitations for bids or RFPs for work to be performed under contracts valued at \$100,000 or more shall require bidders or proposers to conduct the City's "Good Faith Effort," unless otherwise determined by MOED. The aforementioned policy shall be implemented as outlined in the City of Los Angeles Minority, Women and Other Business Enterprise Program.

**CITY OF LOS ANGELES MINORITY, WOMEN AND
OTHER BUSINESS ENTERPRISE PROGRAM**

Departmental Responsibilities

The department heads will assign to the Purchasing Agent, Contract Administrators, Contract Compliance Officers and/or Affirmative Action Officers the responsibility for developing, managing, and implementing the MBE, WBE and OBE policy and program on a day-to-day basis. In order to implement effectively this policy the following program areas will be incorporated within the body of each individual departmental plan:

1. Development of information and communication outreach programs on contracting and bidding procedures, along with the timely dissemination of contract and bid information to both public and private business assistance centers, Chambers of Commerce, Minority and Women Business and Trade Associations.
2. Development of effective vendor database and directories, which will include but not be limited to, qualified minority, women-owned, and other businesses, business assistance agencies, capital providers, bonding and insurance providers, and certification providers, which will be made available to all buyers, storekeepers with purchasing authority, and all other departmental personnel with authority to solicit bids and enter into negotiated personal service contracts.
3. Development and maintenance of listings of MBEs, WBEs, and OBEs to be made available to all prime contractors, vendors, and suppliers who seek to comply with contract requirements and/or subcontracts and joint venture opportunities. The listing shall include, but not limited to: the name, address, telephone number, ethnicity and gender of owner, and the service, commodity or goods provided, sold or manufactured.
4. Participation in minority trade fairs and other outside activities related to the development of minority, women and other vendors.

5. Provide information to MBE, WBEs and OBEs on projected department contractual needs, conduct pre-bid and post conferences, permit MBEs, WBEs, and OBEs to review and evaluate successful bid documents of similar contracting or procurement opportunities.
6. Evaluate and verify, as necessary, the eligibility of all firms and joint ventures who claim to be minority or women-owned in coordination with the City of Los Angeles' certification entity and/or any other certification entity that has a reciprocal certification agreement with the City of Los Angeles.
7. Develop and implement workshops for buyers, storekeepers, and any departmental personnel with authority to negotiate, construction, procurement, and personal service contracts, on how to do business with minority, women-owned and other business enterprises.
8. All bids, RFPs, and construction notices, whenever possible, be published in widely circulated newspapers, trade associations and business publications, including those which focus on minority and women business communities, and through the utilization of radio and any other electronic media.
9. The Small, Local business Program (10% Preference) shall be utilized to further encourage and strengthen the bidding opportunities for small local businesses.
10. All purchasing authorities and/or department designees, with the authority to negotiate contracts, shall maintain such records, and provide such reports as are necessary to ensure full compliance with this policy.
11. All bids and RFPs will give notice that the City requires a good faith outreach effort by contractors, suppliers, and vendors to subcontract with minority, women and other contractors, suppliers, and vendors in their performance of City contracts.
12. The "Good Faith Effort" requirement shall be applied in all city procurement, personal services and construction contracts valued in excess of \$100,000, unless otherwise determined by MOED. All Awarding Authorities shall notify MOED of the anticipated levels of MBE and WBE participation for each contract.
13. Other government entities may not have Good Faith Effort programs that meet the city's standards for business development or outreach. In the event that the city participates ("piggybacks") onto an existing contract of another government entity or association of government entities, the city shall first evaluate the host contract to determine the extent and effect of

the other entity's outreach and business development requirements. The results of the required evaluation shall be communicated to the Mayor's Office of Economic Development as part of the request for approval of any resulting contract by the Mayor's Office.

Mayor's Office of Economic Development Responsibilities

Departments shall seek assistance from the Mayor's Office of Economic Development to implement the previously stated departmental responsibilities. MOED has the responsibility of providing the respective Departments, covered by this directive, with the following services, including but not limited to:

1. Strategic implementation of City MBE, WBE, OBE and small local business outreach and business development efforts.
2. Technical expertise in the areas of MBE, WBE and OBE outreach program design, development and implementation.
3. Information relating to compliance with Federal and State business outreach regulations.
4. Technical expertise in coordinating outreach efforts with minority, women, and other professional associations, trade groups, business assistance centers and related organizations.
5. Technical expertise in the development of the necessary databases, directories, and reports relating to MBE, WBE and OBE program compliance.
6. The Good Faith Effort requirement does not apply to contracts valued at \$100,000 or less, but that fact shall not prevent MOED from providing to departments, at its discretion, outreach and other services authorized under this directive, with respect to such contracts.
7. Such other assistance as may be necessary in connection with the implementation of this directive by the Departments.

Quarterly Reports

Departments shall submit a Quarterly Report to MOED covering the activities relating to the efforts undertaken by the Departments to implement the MBE, WBE and OBE outreach program. The Report shall include data on construction, procurement and personal services contracts and be due 15 calendar days after the close of each calendar quarter, commencing with the quarter ending March 31, 2001. The Report shall include, but not be limited to:

1. A summary of all contract dollars and number of contracts awarded during the quarter to prime contractors and subcontractors, with a breakdown of awards to MBE, WBE and OBE firms. The data shall be further summarized by ethnic categories as determined by MOED.
2. A list of all contracts awarded or contract amendments awarded during the quarter. Each contract shall list the name of the prime contractor and each subcontractor on the project and include award date, contract term, contract type, award amount, contact person, ethnicity, gender, city, state, zip, telephone and fax number.
3. The number of business and contracting opportunity seminars, conferences, and other related events participated in by the Department.
4. All significant efforts undertaken to implement the various elements of the MBE, WBE and OBE Program outlined in this Directive.
5. Any and all other data or Departmental information relating to business development or business outreach as may be requested by MOED to further program development.

Good Faith Effort Policy and Documentation

Bidders and proposers shall assist the city in implementing this policy by taking all reasonable steps to ensure that all available business enterprises, including MBEs, WBEs, and OBEs have an equal opportunity to compete for and participate in city contracts. As outlined below, the following indicators and point scale will be used to determine the bidder's and proposer's compliance with the Good Faith Effort requirements:

- (1) The bidder's or proposer's efforts to obtain participation by MBEs, WBEs, and OBEs can reasonably be expected by the Awarding Authority to produce a level of participation by interested subcontractors, including _____ percent MBE and _____ percent WBE as established by the Awarding Authority.
0 Points
- (2) The bidder or proposer attended pre-solicitation or pre-bid meetings, if any, scheduled by the Awarding Authority to inform all bidders or proposers of the requirements for the project for which the contract will be awarded. The Awarding Authority may waive this requirement if the bidder or proposer certifies it is informed as to those project requirements.
10 Points
- (3) The bidder or proposer identified and selected specific items of the project for which the contract will be awarded to be performed by subcontractors

to provide an opportunity for participation by MBEs, WBEs, and OBEs. The bidder or proposer shall, when economically feasible, divide total contract requirements into small portions or quantities to permit maximum participation of MBEs, WBEs, and OBEs.

10 Points

- (4) The bidder or proposer advertised for bids or proposals from interested business enterprises no less than 10 calendar days prior to the submission of bids or proposals, in one or more daily or weekly newspapers, trade association publications, minority or trade oriented publications, trade journals, or other media specified by the Awarding Authority.

9 Points

- (5) The bidder or proposer provided written notice of its interest in bidding on the contract to those business enterprises, including MBEs and WBEs, having an interest in participating in such contracts. All notices of interest shall be provided not less than 10 calendar days prior to the date the bids or proposals were required to be submitted. In all instances, the bidder or proposer must document that invitations for subcontracting bids were sent to available MBEs, WBEs, and OBEs for each item of work to be performed. The Mayor's Office of Economic Development shall be available to help identify interested MBEs, WBEs, and OBEs.

15 Points

- (6) The bidder or proposer documented efforts to follow-up initial solicitations of interest by contacting business enterprises to determine with certainty whether the enterprises were interested in performing specific portions of the project not less than three calendar days prior to the date the bids or proposals were required to be submitted.

10 Points

- (7) The bidder or proposer provided interested business enterprises with information about the plans, specifications and requirements for the selected subcontracting work.

5 Points

- (8) The bidder or proposer requested assistance from organizations that provide assistance in the recruitment and placement of MBEs, WBEs, and OBEs not less than 15 calendar days prior to the submission of bids or proposals.

10 Points

- (9) The bidder or proposer negotiated in good faith with interested MBEs, WBEs, and OBEs and did not unjustifiably reject as unsatisfactory bids or proposals prepared by a business enterprise, as determined by the Awarding Authority. As documentation the bidder or proposer must submit a list of all sub-bidders for each item of work solicited, including dollar amounts of potential work for MBEs, WBEs and OBEs.

26 Points

- (10) The bidder or proposer documented efforts to advise and assist interested MBEs, WBEs, and OBEs in obtaining bonds, lines of credit, or insurance required by the Awarding Authority or contractor.

5 Points

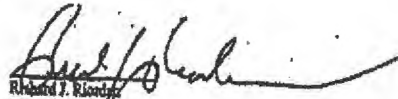
An Awarding Authority's determination of the adequacy of a bidder's or proposer's Good Faith Effort must be based on due consideration of all indicators of good faith as set forth above. Achievement of anticipated levels of participation in indicator (1), above, may only be used as one of the ten indicia of whether a bidder or proposer has met the Good Faith Effort to recruit MBEs, WBEs, and OBEs. If the Awarding Authority has established anticipated levels of participation for MBE and WBE subcontractors, failure to meet those levels shall not by itself be the basis for disqualification of the bidder or proposer.

Each indicator is to be graded on a Pass/Fail basis. Either full credit or no credit will be awarded. No partial credit is to be given. A minimum of 75 of 100 evaluation points are required to establish compliance with the Good Faith Effort requirements. The Good Faith Effort is required even if the bidder has achieved the anticipated MBE and WBE participation levels. The Good Faith Effort also is required even if the bidder is a certified Minority or Woman Business Enterprise.

In the event that an Awarding Authority is considering awarding to other than the lowest bidder, or not awarding a contract to a proposer, because the bidder or proposer is determined to be non-responsive for failure to comply with the Good Faith Effort requirements set forth above, the Awarding Authority shall, if requested, and prior to the award of the contract, afford the bidder or proposer the opportunity to present evidence to the Awarding Authority in a public hearing of the bidder's or proposer's compliance with the Good Faith Efforts in making its outreach. In no case shall an Awarding Authority deny award of a contract to a bidder or proposer pursuant to this program, if the bidder or proposer complies with the Good Faith Effort but fails to meet the anticipated levels of participation.

Nothing herein restricts the discretion of the Awarding Authority to reject all bids or proposals in accordance with provisions of the City Charter or Administrative Code.

The directions set forth herein shall take effect immediately, and all Awarding Authorities, including the city's proprietary departments, shall modify their implementation programs to the extent such programs are inconsistent with this Executive Directive.



Richard J. Bradley
Mayor

Supersedes Executive Directive 1-B (Bradley Series), dated March 29, 1983, and 1-C (Bradley Series), dated March 6, 1989.

EXHIBIT O
INSURANCE REQUIREMENTS

EXHIBIT 4

INSURANCE CONTRACTUAL REQUIREMENTS

CONTACT For additional information about compliance with City Insurance and Bond requirements, contact the Office of the City Administrative Officer, Risk Management at (213) 978-RISK (7475) or go online at www.lacity.org/cao/risk. The City approved Bond Assistance Program is available for those contractors who are unable to obtain the City-required performance bonds. A City approved insurance program may be available as a low cost alternative for contractors who are unable to obtain City-required insurance.

CONTRACTUAL REQUIREMENTS

DEVELOPER AGREES THAT:

1. Additional Insured/Loss Payee. The CITY must be included as an Additional Insured in applicable liability policies to cover the CITY'S liability arising out of the acts or omissions of the named insured. The CITY is to be named as an Additional Named Insured and a Loss Payee As Its Interests May Appear in property insurance in which the CITY has an interest, e.g., as a lien holder.

2. Notice of Cancellation. All required insurance will be maintained in full force for the duration of its business with the CITY. By ordinance, all required insurance must provide at least thirty (30) days' prior written notice (ten (10) days for non-payment of premium) directly to the CITY if your insurance company elects to cancel or materially reduce coverage or limits prior to the policy expiration date, for any reason except impairment of an aggregate limit due to prior claims.

3. Primary Coverage. DEVELOPER will provide coverage that is primary with respect to any insurance or self-insurance of the CITY. The CITY'S program shall be excess of this insurance and non-contributing.

4. Modification of Coverage. The CITY reserves the right at any time during the term of this Contract to change the amounts and types of insurance required hereunder by giving DEVELOPER ninety (90) days' advance written notice of such change. If such change should result in substantial additional cost to DEVELOPER, the CITY agrees to negotiate additional compensation proportional to the increased benefit to the CITY.

5. Failure to Procure Insurance. All required insurance must be submitted and approved by the Office of the City Administrative Officer, Risk Management prior to the inception of any operations by DEVELOPER.

DEVELOPER'S failure to procure or maintain required insurance or a self-insurance program during the entire term of this Contract shall constitute a material breach of this Contract under which the CITY may immediately suspend or terminate this Contract or, at its discretion, procure or renew such insurance to protect the CITY'S interests and pay any and all premiums in connection therewith and recover all monies so paid from DEVELOPER.

6. Workers' Compensation. By signing this Contract, DEVELOPER hereby certifies that it is aware of the provisions of Section 3700 et seq., of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake

self-insurance in accordance with the provisions of that Code, and that it will comply with such provisions at all time during the performance of the work pursuant to this Contract.

7. California Licensee. All insurance must be provided by an insurer admitted to do business in California or written through a California-licensed surplus lines broker or through an insurer otherwise acceptable to the CITY. Non-admitted coverage must contain a **Service of Suit** clause in which the underwriters agree to submit as necessary to the jurisdiction of a California court in the event of a coverage dispute. Service of process for this purpose must be allowed upon an agent in California designated by the insurer or upon the California Insurance Commissioner.

8. Aggregate Limits/Impairment. If any of the required insurance coverages contain annual aggregate limits, DEVELOPER must give the CITY written notice of any pending claim or lawsuit which will materially diminish the aggregate within thirty (30) days of knowledge of same. You must take appropriate steps to restore the impaired aggregates or provide replacement insurance protection within thirty (30) days of knowledge of same. The CITY has the option to specify the minimum acceptable aggregate limit for each line of coverage required. No substantial reductions in scope of coverage which may affect the CITY'S protection are allowed without the CITY'S prior written consent.

9. Commencement of Work. For purposes of insurance coverage only, this Contract will be deemed to have been executed immediately upon any party hereto taking any steps that can be considered to be in furtherance of or towards performance of this Contract. The requirements in this Section supersede all other sections and provisions of this Contract, including, but not limited to, PSC-4, to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

Exhibit 4 (Continued)

Required Insurance and Minimum Limits

Name: _____ Date: _____

Agreement/Reference: _____

Evidence of coverages checked below, with the specified minimum limits, must be submitted and approved prior to occupancy/start of operations. Amounts shown are Combined Single Limits ("CSLs"). For Automobile Liability, split limits may be substituted for a CSL if the total per occurrence equals or exceeds the CSL amount.

	Limits
Workers' Compensation – Workers' Compensation (WC) and Employer's Liability (EL)	WC Statutory EL _____
<input type="checkbox"/> Waiver of Subrogation in favor of City	
<input type="checkbox"/> Longshore & Harbor Workers	
<input type="checkbox"/> Jones Act	
General Liability	
<input type="checkbox"/> Products/Completed Operations	
<input type="checkbox"/> Fire Legal Liability	
<input type="checkbox"/> _____	
<input type="checkbox"/> Sexual Misconduct	
Automobile Liability (for any and all vehicles used for this Contract, other than commuting to/from work)	
Professional Liability (Errors and Omissions)	
Property Insurance (to cover replacement cost of building – as determined by insurance company)	
<input type="checkbox"/> All Risk Coverage	
<input type="checkbox"/> Flood	
<input type="checkbox"/> Earthquake	
<input type="checkbox"/> Boiler and Machinery	
<input type="checkbox"/> Builder's Risk	
<input type="checkbox"/> _____	
Pollution Liability	
<input type="checkbox"/> _____	
Surety Bonds – Performance and Payment (Labor and Materials) Bonds	
Crime Insurance	100 % of Contract Price _____
Other:	

EXHIBIT P
FORM OF GRANT DEED

EXHIBIT "P"
CITY LOAN AGREEMENT
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

FORM OF GRANT DEED

RECORDING REQUESTED BY
AND WHEN RECORDED, RETURN
TO:

The City of Los Angeles
Los Angeles Housing and
Community Investment
Department:
P.O. Box 532729
Los Angeles, CA 90053-2729

DOCUMENTARY TRANSFER TAX:

County: \$ _____;

City of Los Angeles: \$ _____

Computed on full value of property
conveyed

Signature of Declarant or Agent
determining tax

GRANT DEED

(TRANSFER OF FEE TITLE SUBJECT TO LIMITED CONDITION SUBSEQUENT AND
A POWER OF TERMINATION)

(RE-SALE RESTRICTED PROPERTY)

For valuable consideration, the receipt of which is
hereby acknowledged,

THE CITY OF LOS ANGELES, a municipal corporation
acting by and through the Los Angeles Housing and Community
Investment Department (herein called "City" or "Grantor") hereby
grants to Habitat for Humanity of Greater Los Angeles, a
California non-profit public benefit corporation (herein called
"Grantee") the real property located at and commonly known as
9513 South Spring Street, Los Angeles, CA 90003 (the "Property")
legally described in the document attached hereto, labeled
Exhibit "A", and incorporated herein by this reference.

1. The Property is conveyed subject to a City Loan Agreement entered into by and between Grantor and Grantee and dated as of the _____ day of _____, 20____. Grantee covenants and agrees for itself and its successors and assigns to use, operate and maintain the Property in accordance with the City Loan Agreement and this Grant Deed. The Property is also conveyed subject to all matters of record and other matters approved by the Grantee pursuant to the City Loan Agreement.

2. Grantee hereby covenants and agrees, for itself and its successors and assigns, that during construction and thereafter, Grantee shall not use, operate and maintain the Property in violation of the City Loan Agreement. Grantee further covenants and agrees to comply with all terms of the City Loan Agreement including without limitation, Grantee's obligation to develop the Property as follows: (1) a 1,149 square foot, 3-bedroom, 2-bath single family home with a 457 square foot, 2-car garage ("SFD") and a 494 square foot, 1-bedroom, 1-bathroom junior accessory dwelling unit ("Junior ADU") without parking, to be collectively used by the Eligible Household as a 4-bedroom, primary residence for the duration of their ownership (both the SFD and Junior ADU shall include air-conditioning, an oven, a refrigerator, microwave, private backyard and drought tolerant plants with smart irrigation, the SFD shall be solar power ready and the garage shall be EV plug in ready with a 22 volt outlet installation and the SFD and the Junior ADU shall be surrounded by a 6 foot wooden fence) (the SFD and the Junior ADU, are hereinafter sometimes collectively referred to as the "Project" or the "Improvements".) Upon completion of the Project, the Borrower shall sell it to an Eligible Household for no more than the Maximum Sales Price (as defined in the City Regulatory Agreement (Exhibit "M") to the City Loan Agreement.) The Project shall be subject to re-sale restrictions for a period of thirty (30) years from the date of issuance of a Certificate Occupancy or Certificate of Completion, if applicable, for the Project. If the certificates for the Project (i.e. for the SFD and Junior ADU) are issued on different dates, the date of the last issued certificate controls. At the end of the thirty (30) year term, in addition to the balance of the City Loan due, upon the first sale of the Project for market value, the then-Owner of the Project shall pay the City its shared appreciation of the Project.

Grantor and Grantee agree that this use covenant on the part of the Grantee is necessary to carry out the purposes of the City Loan Agreement with respect to the Property.

3. Grantee shall not, except as permitted by the City Loan Agreement, Transfer any part of its interest in the City Loan Agreement or the Property, or Transfer any of its Ownership and/or Control.

4. Grantee herein covenants by and for itself, its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on the basis of race, religion, source of income, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, familial status, acquired immune deficiency (AIDS), acquired or perceived, citizenship, and political affiliation or belief. The foregoing covenant shall run with the land.

All deeds, leases or other real property conveyance contracts entered into by the Grantee on or after the date of execution of this Agreement as to any portion of the Property shall contain the following language:

A. In deeds: "The Grantee herein covenants by and for himself/herself, his/her heirs, executors, administrators and assigns, and all persons claiming under or through him/her, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, religion, source of income, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, familial status, acquired immune deficiency (AIDS), acquired or perceived, citizenship, and political affiliation or belief in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself/herself or any person claiming under or through him/her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, licenses or vendees of the land herein conveyed. The foregoing covenants shall run with the land."

B. In leases: "The lessee herein covenants by and for himself/herself, his/her heirs, executors,

administrators and assigns, and all persons claiming under or through him/her, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person, or group of persons, on account of race, religion, source of income, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, familial status, acquired immune deficiency (AIDS), acquired or perceived, citizenship, and political affiliation or belief in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee himself/herself or any person claiming under or through him/her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the land herein leased."

C. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of race, religion, source of income, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, marital status, domestic partner status, pregnancy, childbirth and related medical conditions, familial status, acquired immune deficiency (AIDS), acquired or perceived, citizenship, and political affiliation or belief in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself/herself or any person claiming under or through him/her, establish or permit any such practice or practices of discrimination or segregation with reference to the lessees, subtenants, sublessees, or licenses vendees of the land."

5. Prior to issuance of a Certificate Occupancy or Certificate of Completion, if applicable, for the Project, for the Project, Grantee shall not place or suffer to be placed on the Property any lien or encumbrance other than mortgages, deeds of trust, sales and leases back or any other form of conveyance required for financing of the acquisition of the Property, the construction of the Project, and any other expenditures necessary and appropriate to develop the Property which meet the

requirements set forth in the City Loan Agreement, and which financing re: the sale of the SFD and rental of ADU, shall require the written approval of Grantor in accordance with the City Loan Agreement.

6. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the City Loan Agreement; provided, however, that any successor of Grantee to the Property shall be bound by such covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

7. The covenants contained in paragraphs 1 through 6, inclusive, of this Grant Deed shall be binding for the benefit of Grantor, its successors, assigns and the City of Los Angeles against any successor in interest to the Property or any part thereof, and such covenants shall run in favor of the Grantor and such aforementioned parties of the entire period during which such covenants shall be in force and effect, without regard to whether the Grantor is or remains an owner of any land or interest therein to which such covenants relate. Such covenants shall be in effect starting upon the date of recordation of this Grant Deed in the Official Records of the County of Los Angeles and shall expire and shall be null and void and of no further force and effect on the date which is five (5) years after the date of issuance of the Certificate Occupancy or Certificate of Completion, if applicable, for the Project to be developed on the Property. Notwithstanding the foregoing, the anti-discrimination covenants set forth in paragraph 4 above are perpetual in nature and shall survive the termination of any of the covenants in paragraphs 1, 2, 3, 5 and 6 above (the covenants in paragraphs 1, 2, 3, 4, 5, and 6, are hereinafter collectively referred to as "Covenants"). Grantor, in the event of any breach of any such Covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach. In addition to the foregoing, and not by way of limitation thereof, a breach (after the giving of any required notice and the expiration of any required cure period) of any of the aforesaid Covenants (including without limitation the obligation to develop the Property in accordance with paragraph 2), at Grantor's option, shall constitute a condition subsequent which may result in

exercise by Grantor of its power of termination and forfeiture of title by any holder thereof; provided, however, that Grantor's power of termination must be exercised, if at all, prior to the issuance of a Certificate Occupancy or Certificate of Completion, if applicable, for the Project to be developed on the Property in accordance with the City Loan Agreement. Any attempt by Grantor to exercise its power of termination after the issuance a Certificate Occupancy or Certificate of Completion, if applicable, for the Project shall be null and void. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor, its successors, assigns, and the City of Los Angeles.

8. The covenants contained in this Grant Deed shall be construed as covenants running with the land and as conditions which might result in forfeiture of title prior to the issuance of the a Certificate Occupancy or Certificate of Completion, if applicable, for the Project for the Project.

9. In the event of any conflict between this Grant Deed and the City Loan Agreement, the provisions of the City Loan Agreement shall control. Unless otherwise expressly provided, all defined terms used in this Grant Deed shall have the defined meaning provided for in the City Loan Agreement

10. The PROPERTY is hereby granted to Grantee:

SUBJECT to the aforementioned limited condition subsequent and power of termination;

SUBJECT to covenants, conditions, restrictions, encroachments, reservations, easements, rights and rights-of-way of record or which are apparent from a visual inspection of the real property and excepting and reserving to the City of Los Angeles any interest in the fee to the adjacent streets which would otherwise pass with the conveyance of the Property described in Exhibit "A" hereto;

ALSO SUBJECT to sale in "AS IS" condition, and Grantee purchasing the City-owned property, by such act, expressly agreeing to purchase the Property in an "As Is" condition and without any warranty as to fitness for use, fitness for a particular use, or condition of the property, and that the City has no obligation to correct any condition of the Property, whether known before or after the date of the sale; and

EXCEPTING AND RESERVING unto the City of Los Angeles, all oil, gas, water and mineral rights now vested in the City of Los Angeles without, however, the right to use the surface of said land or any portion thereof to a depth of 500 feet below the surface, for the extraction of such oil, gas, water and minerals.

This Grant Deed is made in accordance with the provisions of Ordinance No. _____ and Council File No. _____ of the City of Los Angeles.

In witness whereof, City of Los Angeles, a municipal corporation, by its City Council, has caused this Grant Deed to be executed on its behalf, by its Mayor, and its corporate seal to be thereto affixed by its City Clerk, this _____ day of _____, 2018

"GRANTOR"

The City of Los Angeles,
a municipal corporation

By: _____
Eric Garcetti, Mayor

Attest:
Holly L. Wolcott,
City Clerk


By: _____

Date: _____


The provisions of this Grant Deed are hereby approved and accepted.

"GRANTEE"

Habitat for Humanity of Greater Los Angeles,
a California non-profit public benefit
corporation

By: 
ERIN RANK
Its: President and CEO

Date: 8/31/18

By: 
RAUL SALINAS
Its: Secretary

Date: 8/31/18

THE CITY OF LOS ANGELES,
A municipal corporation

GRANTS TO

Habitat for Humanity of Greater
Los Angeles, a California non-
profit public benefit
corporation

GRANT DEED

(TRANSFER OF FEE TITLE SUBJECT
TO LIMITED CONDITION SUBSEQUENT
AND
A POWER OF TERMINATION)

Approved as to Authority

_____, 2018

For: THE CITY OF LOS ANGELES

RUSHMORE D. CERVANTES

General Manager

Los Angeles Housing and
Community Investment Department

By: _____

SEAN L. SPEAR

Its: Assistant General
Manager Housing
Development Bureau

Approved as to Form

_____, 2018

MICHAEL N. FEUER, CITY ATTORNEY

BY: _____

DEPUTY CITY ATTORNEY

EXHIBIT "A"
TO GRANT DEED
HABITAT FOR HUMANITY OF GREATER LOS ANGELES
(9513 South Spring Street, Los Angeles, CA 90003)

LEGAL DESCRIPTION

REAL PROPERTY IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES,
STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

LOT 5 OF TRACT NO. 4055, IN THE CITY OF LOS ANGELES, COUNTY OF
LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 39,
PAGE 90 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID
COUNTY.

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER
ALL OF THE ABOVE DESCRIBED REAL PROPERTY, BUT WITHOUT ANY RIGHT
TO PENETRATE, USE OR DISTURB SAID PROPERTY WITHIN 500 FEET IN THE
SURFACE THEREOF, AS EXCEPTED AND RESERVED IN DEED RECORDED
NOVEMBER 6, 1992 AS INSTRUMENT NO. 92-2047803.

ASSESSOR'S IDENTIFICATION NUMBER: 6053-006-904

COMMON ADDRESS: 9513 South Spring Street, Los Angeles, CA
90003

BORROWER: Habitat for Humanity of Greater Los Angeles,
a California non-profit public benefit
corporation