

ASSIGNMENT, ASSUMPTION AND COOPERATION AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND COOPERATION AGREEMENT (the "Agreement") is entered into as of July _____, 2015 (the "Effective Date"), by and between the City of Los Angeles, a charter city (the "City"), acting by and through its Housing and Community Investment Department ("HCIDLA"), formerly known as the Los Angeles Housing Department ("LAHD"), and CRA/LA, a Designated Local Authority ("CRA/LA"), the successor agency to The Community Redevelopment Agency of the City of Los Angeles, California (the "Former Agency").

RECITALS:

A. The City was a recipient of Federal financial assistance from the United States Department of Housing and Urban Development (the "Department"). The City allocated certain Department funds to the Former Agency and the Former Agency used the Department funds to make the loans to certain multifamily residential rental developments, which developments and respective City loan numbers are listed on Attachment A (the "Federally-Funded Housing Developments").

B. On or about August 24, 2011, the Department commenced a review of the Former Agency's and City's compliance with Section 504 of the Rehabilitation Act of 1973 ("Section 504") and Title II of the Americans with Disabilities Act of 1990 (the "ADA") and the administration of federally-funded loans made to housing developments. On or about January 11, 2012, the Department issued a Letter of Findings (the "LOF") to the Former Agency and the City alleging certain violations of the accessibility requirements of Section 504 and the ADA at the Federally-Funded Housing Developments.

C. On February 1, 2012, the Former Agency dissolved pursuant to California Health and Safety Code Section 34172.

D. Following the Los Angeles City Council's election to decline to become the successor agency to the Former Agency and in accordance with California Health and Safety Code Section 34173(d)(3), CRA/LA was formed to serve as the successor agency of the Former Agency.

E. In accord with California Health and Safety Code Section 34176 (a), the Los Angeles City Council adopted a resolution on January 25, 2012 accepting the transfer of all rights and obligations related to the Former Agency's housing assets and functions, and designating LAHD to perform said housing functions (City Council File 12-0049).

F. CRA/LA and the City, acting through LAHD, entered into the Agreement Regarding CRA/LA Affordable Housing Assets and Functions, dated as April 5, 2013, for the purpose of providing for the orderly transfer of the housing assets and functions of the Former Agency to LAHD (the "Housing Assets Transfer Agreement"). Pursuant to the Housing Assets Transfer Agreement, the Former Agency transferred certain loan documents related to the Federally-Funded Housing Developments to LAHD.

G. The CRA/LA and the Department have entered into a Voluntary Compliance Agreement dated as of September 19, 2014 (the "VCA") pursuant to which the CRA/LA will

work cooperatively with the owners of the Federally-Funded Housing Developments (“Owners”) to resolve issues identified in the LOF related to the Former Agency and the Federally-Funded Housing Developments.

H. The City and the Department intend to enter into a Voluntary Compliance Agreement under which the City intends to work with owners of City-funded housing developments who received federal assistance through City funded housing programs (the “City VCA”). The City VCA contains provisions requiring the City to cooperate with CRA/LA in CRA/LA’s implementation of the CRA/LA VCA.

I. Solely with regards to the City, CRA/LA and the Owners shall assume sole responsibility for the correction of any violations of the accessibility requirements of Section 504 and the ADA at the Federally-Funded Housing Developments as those requirements are defined in the VCA.

J. In order to facilitate CRA/LA’s performance of its obligations under the VCA, the parties desire that HCIDLA cooperate with CRA/LA in CRA/LA’s implementation of the VCA, including the assignment of certain rights and obligations by HCIDLA to CRA/LA under all agreements and instruments by and between the Former Agency and the owners of the Federally-Funded Housing Developments previously transferred to HCIDLA pursuant to the Housing Assets Transfer Agreement including, but not limited to, loan agreements, promissory notes, deeds of trust, and regulatory agreements pertaining to the Federally-Funded Housing Developments (collectively, the “Assigned Documents”), by temporarily transferring back to CRA/LA the Assigned Documents.

K. Subject to the limitations and conditions set forth in this Agreement, CRA/LA intends to temporarily assume all rights and obligations under the Assigned Documents necessary for CRA/LA to carry out its obligations under the VCA (the “Assigned Rights”, as such term is further defined in Section 3).

AGREEMENT:

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED, THE CITY AND CRA/LA HEREBY AGREE AS FOLLOWS:

1. Limited Assignment and Assumption. Subject to the limitations and conditions hereinafter set forth, HCIDLA hereby assigns to CRA/LA and CRA/LA hereby accepts and assumes the Assigned Rights to enable CRA/LA to enforce the Assigned Documents and perform its obligations under the VCA. The Assigned Rights shall be subject to the retained rights and obligations set forth in Section 3 and the limitations set forth in Section 4 of this Agreement and shall be for the limited purpose of empowering CRA/LA to perform its obligations under the VCA, which may include the exercise of any or all of the Retrofit Activities, as such term is defined in Section 3.

2. Cooperation. CRA/LA and HCIDLA agree to reasonably cooperate in all matters intended to effectuate the provisions of this Agreement, including but not limited to cooperation

in notifying Owners, through written communications and in-person meetings (if necessary or desirable), of the assignments contemplated herein and of the planned Retrofit Activities, as such term is defined in Section 3. Following the Effective Date of this Agreement, HCIDLA and CRA/LA will send each Owner a joint letter informing the Owner of HCIDLA's assignment to CRA/LA of the Assigned Rights under this Agreement.

3. Assigned Rights. The assignment of rights and obligations under this Agreement shall be for the purpose of enabling CRA/LA to perform its obligations under the VCA to ensure that any required retrofit work is completed in accordance with the provisions of the VCA (the "Retrofit Activities"). Subject to the rights and obligations retained pursuant to Section 4 and the limitations contained in Section 5 of this Agreement, Retrofit Activities include:

(i) Entering any Federally-Funded Housing Development to carry out inspections to determine the presence of any non-compliance with the accessibility requirements of Section 504 and the ADA and to correct any such non-compliance.

(ii) Entering into agreements with Owners pursuant to which said Owners will engage in activities to correct non-compliance with the accessibility requirements of Section 504 and the ADA.

(iii) Subject to the provisions of Section 4(vi), directing Owners to expend operating funds or make disbursements from reserve funds to pay for activities to correct non-compliance with the accessibility requirements of Section 504 and the ADA.

(iv) Making loans or grants to Owners for the purpose of paying for activities to correct non-compliance with the accessibility requirements of Section 504 and the ADA.

(v) Gathering information from the owners of Federally-Funded Housing Developments to determine the utilization of accessible dwelling units.

(vi) Enforcing the provisions of the Assigned Documents as may be reasonably necessary to require owners of Federally-Funded Housing Developments to cooperate with CRA/LA in carrying out the requirements of the VCA, including the power to declare defaults of Federally-Funded Loans or of any the Assigned Documents, commence administrative or judicial enforcement proceedings, and to exercise any remedy or enforcement authority granted under any of the Assigned Documents.

(vii) Obtaining written certification from the Department that the Section 504 and ADA findings have been resolved at each Federally-Funded Housing Development.

(viii) Such other activities as may be reasonably necessary to effectuate the foregoing assignment and to enable CRA/LA to carry out its obligations under the VCA.

4. Retention of Rights and Obligations. CRA/LA and HCIDLA acknowledge and agree that the assignment set forth in this Agreement is a limited assignment for the purpose of enabling CRA/LA to carry out its obligations under the VCA, and HCIDLA hereby reserves and retains from the assignment contained in Section 1 the following rights and obligations under the Assigned Documents:

(i) To monitor owner compliance with, enforce all requirements for, and otherwise exercise all rights and obligations under the Assigned Documents with respect to low-income occupancy and rent restrictions or otherwise required by any policy of HCIDLA or any local, state or federal law;

(ii) To monitor owner compliance with, enforce all requirements for, and otherwise exercise all rights and obligations under the Assigned Documents with respect to marketing, leasing and occupancy, including measures for reasonable accommodation, or otherwise required by any policy of HCIDLA or any local, state or federal law;

(iii) To monitor owner compliance with, enforce all requirements for, and otherwise exercise all rights and obligations under the Assigned Documents with respect to all applicable local, state and federal health and safety standards; provided that HCIDLA shall have no responsibility for and no authority to enforce any obligation of an Owner that is the enforcement obligation of CRA/LA that has been assigned to CRA/LA under this Agreement, it being the intention of the parties that CRA/LA shall be responsible for assuring completion of the retrofit of each Federally-Funded Housing Development and the required number of accessible units to the satisfaction of the Department;

(iv) To monitor the continued compliance of such Federally-Funded Housing Development with all requirements for accessibility only upon the approval of the Department and, termination of the Assignment with respect to such Federally-Funded Housing Development;

(v) To receive all debt service payments and other monies payable or due under the Assigned Documents (whether as a result of any action to enforce the liens of the security interest in the Federally-Funded Housing Developments established by the Federally-Funded Loans and Assigned Documents, or otherwise);

(vi) To approve budgets and rent schedules, disbursements from the reserves of any Federally-Funded Housing Development, and capital improvements not otherwise the subject of CRA/LA's exercise of obligations under the VCA; provided, however, that HCIDLA shall reasonably approve any amounts to be expended from operating funds or disbursed from reserve funds by Owners to pay for activities to correct non-compliance with the accessibility requirements of Section 504 and the ADA;

(vii) To enforce the provisions of the Assigned Documents with respect to any right or obligation not reasonably necessary to enable the CRA/LA to carry out its obligations under the VCA, including the power to declare a default under any of the Assigned Documents, commence administrative or judicial enforcement proceedings, and the authority to exercise any remedy or enforcement authority granted to the Former Agency or HCIDLA under any of the Assigned Documents; and

(viii) To exercise such incidental powers as may be reasonably necessary to carry out HCIDLA's obligations under the Assigned Documents not otherwise assigned to CRA/LA by this Agreement.

5. Limitation on Exercise of Rights and Obligations. CRA/LA and HCIDLA agree that CRA/LA shall not do or allow any of the following to occur without having first received the written approval of HCIDLA (which approval may be granted or withheld in the sole discretion of HCIDLA):

(i) Amend, modify, or terminate or any of the Assigned Documents, or waive or otherwise compromise or impair any of HCIDLA's rights, liens or interests under the Assigned Documents.

(ii) Require an Owner to make contributions from operating funds or reserve funds or take any other action that will that will materially impair debt service payments or other payments due to HCIDLA under any Assigned Documents, result in a default under the federally-funded loan or the Assigned Documents or under any other obligations of the Owner or otherwise result in a material adverse financial effect on the Federally-Funded Housing Development.

(iii) Approve any work that will result in the loss of a unit, reduction in amenities of units or common areas, loss of parking spaces, or permanent displacement of any resident of a Federally-Funded Housing Development, unless required by the Department to be in compliance with the VCA.

(iv) Make any loans or enter into any agreements with Owners or the Department, or otherwise which would create any lien or encumbrance upon any Federally-Funded Housing Development or any other obligation running with the land or which will otherwise survive the completion of performance of the CRA/LA's obligations under the VCA which are not subordinate to HCIDLA's liens; and in the event of the recording of a mechanic's lien or any other lien or encumbrance, CRA/LA shall forthwith take any all actions necessary to cause the removal of such encumbrance, including enforcing any mechanic's lien provisions contained in the Assigned Documents.

6. Limitation on Responsibilities of HCIDLA. Except as otherwise provided in this Agreement, as to any and all of the Federally-Funded Housing Developments, HCIDLA shall assume no responsibility for performing the Retrofit Activities, nor shall HCIDLA bear any costs for completion of the Retrofit Activities. The costs for completion of the Retrofit Activities, and apportionment of those costs between CRA/LA and the Owners, shall be negotiated exclusively between CRA/LA and the Owners on a project-by-project basis.

7. Retained Liability/Indemnification. Except for the grant of limited assignment set forth herein, nothing in this Agreement shall be construed to otherwise vary, amend or modify the provisions of the Housing Assets Transfer Agreement, including without limit the provisions of Sections 3 and 6 of the Housing Assets Transfer Agreement. With respect to the activities to be carried out under this Agreement and the VCA and absent the gross negligence or willful misconduct of the City of Los Angeles, CRA/LA shall be responsible for, and shall indemnify, and hold HCIDLA harmless from, all claims, liabilities, obligations, costs and expenses of every kind and nature whatsoever that HCIDLA may suffer or incur and that directly relate to the actions of CRA/LA under the Assigned Documents or the VCA for events that first occur between the Effective Date and the date upon which all of the rights and obligations assigned to

CRA/LA pursuant to Section 1 hereof are effectively and legally transferred by CRA/LA to HCIDLA as provided in Section 8 below. The provisions of this Section 7 shall survive the termination of this Agreement.

8. Termination of Agreement/Reconveyance of Assigned Interests. Except as otherwise herein expressly provided, this Agreement shall terminate:

(i) in whole, and with respect to all of the Federally-Funded Housing Developments, upon certification by the Department or other evidence satisfactory to HCIDLA that the Department has accepted final completion of the retrofit of all of the Federally-Funded Housing Developments and has determined that all such properties are compliant with the VCA;

(ii) with respect to any individual Federally-Funded Housing Development, upon certification by the Department or other evidence satisfactory to HCIDLA that the Department has accepted final completion of the retrofit of such individual Federally-Funded Housing Development and has determined that such property is compliant with the VCA with respect to such property; or

(iii) in whole, or with respect to any individual Federally-Funded Housing Development, upon the mutual consent of HCIDLA and CRA/LA and upon such written terms and conditions as may be mutually determined by the parties.

Upon termination of this Agreement, as a whole or with respect to any individual Federally-Funded Housing Development, CRA/LA shall promptly take such actions and execute such documents and instruments to effectively and legally transfer to HCIDLA all of the rights and obligations under the Assigned Documents assigned to CRA/LA under Section 1 with respect to all or any individual Federally-Funded Housing Development(s), as appropriate, and to otherwise implement this Agreement.

9. No Rights in Third Parties. This Agreement is intended for the sole benefit of HCIDLA and CRA/LA, and shall not create any rights, either as a third party beneficiary or in any other manner, in any other party.

10. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of HCIDLA and CRA/LA and their respective successors and assigns.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

12. Counterparts. This Agreement may be executed in one or more counterparts by actual or facsimile signature (with original signatures to follow by overnight mail). All counterparts so executed shall constitute one contract, binding on all parties, even though all parties are not signatories to the same counterpart.

13. Severability. Any provision of this Agreement which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provision shall remain in full force and effect.

[Signature Page to Assignment, Assumption and Cooperation Agreement]

IN WITNESS WHEREOF, HCIDLA and CRA/LA have caused this Agreement to be executed by their duly authorized representatives.

HCIDLA:

THE CITY OF LOS ANGELES, a municipal corporation, acting by and through its Housing and Community Investment Department

By: _____
RUSHMORE CERVANTES
General Manager

Date: _____

APPROVED AS TO FORM:
MICHAEL N. FEUER, CITY ATTORNEY

By: _____
Deputy City Attorney

Date: _____

ATTEST:
HOLLY L. WOLCOTT, City Clerk

By: _____
Interim City Clerk

Date: _____

[Signature Page to Assignment, Assumption and Cooperation Agreement, Cont'd]

CRA/LA:

CRA/LA, a Designated Local Authority, as successor to The
Community Redevelopment Agency of the City of Los Angeles, CA

By: _____
Steven Valenzuela
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:
GOLDFARB & LIPMAN LLP

By: _____
Thomas H. Webber, CRA/LA Legal Counsel

ATTACHMENT A

FEDERALLY-FUNDED HOUSING DEVELOPMENTS

Project	Address
Heavenly Vision Seniors	9400 S. Broadway
Casa Verde	1552 Schrader Blvd.
Hope Manor	1332 S. Hope Street
Don Hotel Apartments	105 E. "I" Street
Western Carlton Apts. (aka: Western-Carlton Phase I)	5443 Carlton Way
La Estrella Apartments	1979 Estrella Ave.
Eastside Village (Lillian Mobley)	2250 East 111 Street
Grandview 9	916-920 S. Park View Street
Amistad Plaza	6050-6130 South Western Ave.
Paseo del Sol	417 North Soto Street
Metro Hollywood Apts. (aka: Hollywood Western Apts./Western-Carlton Phase II)	5450 Hollywood Blvd.
Buckingham Place Senior Housing	4020-70 Buckingham Road
Gallery at NoHo Commons (Phase I)	5416 Fair Ave.
Palomar Apartments	5473 Santa Monica Blvd.
Encore Hall (aka: Triangle Square)	1623 Vine Street
Lofts at NoHo Commons (aka: NoHo Commons-Phase II)	11136 Chandler Blvd.
Vermont Seniors	3901-3925 S. Vermont Ave. / 1015 W. 39 th Place
Vista Monterey Senior Housing	4647 Huntington Drive North
Yale Terrace Apartments	716-734 S. Yale Street
Imani Fe (East & West)	10345 & 10408-10424 S. Central Ave.
Villas at Gower	1726 North Gower Street
Ford Apartments (aka: Ford Hotel)	1000 E 7 th Street