Ann Sewill, General Manager
Tricia Keane, Executive Officer

Daniel Huynh, Assistant General Manager
Anna E. Ortega, Assistant General Manager
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City of Los Angeles

Eric Garcetti, Mayor

LOS ANGELES HOUSING DEPARTMENT
1200 West 7th Street, 9th Floor
Los Angeles, CA 90017
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April 27, 2022

Council File:	16-0600-S145	
Council Districts:	11	
Contact Persons:	Laura Byeon:	(213) ###-####
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Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT REQUEST FOR AUTHORITY TO EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON THE CITY-OWNED PROPERTIES LOCATED AT 2100 S. PACIFIC AVENUE, 128 E. VENICE BLVD, 208 E. VENICE BLVD, 216 E. VENICE BLVD, 302 E. VENICE BLVD, 319 E. VENICE BLVD, 200 E. VENICE BLVD, 212 E. VENICE BLVD, 125 E. VENICE BLVD.

SUMMARY

The General Manager of the Los Angeles Housing Department (LAHD) requests authority to take recommended actions related to the disposition and development of housing assets owned by the City of Los Angeles, with the purpose of maximizing the use of public land for the development of affordable housing.

The Hollywood Community Housing Corporation and the Venice Community Housing Corporation (DEVELOPERS) were selected through a competitive process to develop the Affordable Housing Opportunity Site (AHOS) sites into affordable housing, for ten parcels located at 2100 S. Pacific Avenue, 128 E. Venice Blvd, 208 E. Venice Blvd, 216 E. Venice Blvd, 302 E. Venice Blvd, 319 E. Venice Blvd, 200 E. Venice Blvd, 212 E. Venice Blvd, and 125 E. Venice Blvd (APN's: 4238-024-900, 902, 903, 905-911); and the transfer of jurisdiction of the property from the Los Angeles Department of Transportation (LADOT) to LAHD. The proposed project includes the construction of a public LADOT parking garage to provide 196 replacement parking spaces. This parking garage will not be included in the residential Development Agreement or Ground Lease, but rather, documented separately through LADOT with the assistance of the General Services Department (GSD).

The proposed project will be constructed in two structures, on either side of the Grand Canal. The building on the west side of the canal will include both residential and commercial space wrapping the parking garage. The building on the east side of the canal will include the five-story LADOT replacement parking garage along with residential and commercial space wrapping the parking garage.

The ground lease terms are based on a 99-year term consisting of a 55-year (Initial Term), followed by four 11-year extensions. During the Initial Term, LAHD will charge an annual rent of $1 per year for the residential component, with the option for the DEVELOPERS to prepay the rent for the full Initial Term at closing. The Commercial component will have an annual rent of 50% of residual receipts for the full term of the lease.

RECOMMENDATIONS

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

   A. AUTHORIZE the General Manager of LAHD, or designee, to negotiate and execute a Disposition and Development Agreement (DDA) and a Ground Lease with the DEVELOPERS, and effectuate related documents necessary, for the properties located at 2100 S. Pacific Avenue, 128 E. Venice Blvd, 208 E. Venice Blvd, 216 E. Venice Blvd, 302 E. Venice Blvd, 319 E. Venice Blvd, 200 E. Venice Blvd, 212 E. Venice Blvd, and 125 E. Venice Blvd; or with the developers' to-be-formed Limited Partnership, based on the Key Terms (Attachment A) and in substantial conformance with the Form of Agreement (Attachment B) negotiated with the Developers; and,

   B. AUTHORIZE LADOT to effectuate a non-financial transfer of jurisdiction and control of certain properties and approval to effectuate other documents necessary to assemble the land located at 2100 S. Pacific Avenue, 128 E. Venice Blvd, 208 E. Venice Blvd, 216 E. Venice Blvd, 302 E. Venice Blvd, 319 E. Venice Blvd, 200 E. Venice Blvd, 212 E. Venice Blvd, and 125 E. Venice Blvd (APN's: 4238-024-900, 902, 903, 905-911) to LAHD, subject to City Attorney approval as to form, for the development of affordable and supportive housing.

BACKGROUND

In response to the City's affordable housing crisis, and to meet the City and Mayor's objective of creating new affordable housing, LAHD created a Public Land Development Program with the goal of developing publicly-owned land into affordable housing. This program oversees the disposition of properties transferred to LAHD from the former Community Redevelopment Agency of Los Angeles, the Los Angeles Department of Transportation (LADOT), as well as surplus land identified by the Office of the City Administrative Officer (CAO) as part of the Affordable Housing Opportunity Sites (AHOS) program, and leverages such properties for the creation of affordable or supportive housing across the City.

On July 25, 2016, the City of Los Angeles Office of the City Administrative Officer released a Request for Qualifications/Proposals (RFQ/P) related to the disposition and development of 200 E. Venice Blvd, a property owned by the City, with the purpose of maximizing the use of public land for the development of affordable housing with a submission deadline of September 15, 2016. LAHD recommended the selection of the Hollywood Community Housing Corporation and Venice Community Housing Corporation after reviewing and scoring each proposal. On December 14, 2016, the City Council and Mayor approved this selection and authorized LAHD to negotiate and execute an Exclusive Negotiation Agreement (ENA) with the development team (C.F. No. 16-0600-S145).

Public Land Development Process

Once selected, the developers entered into an ENA with the City. Since then, they have consulted with the local Council Office, engaged in community outreach to stakeholders, applied for entitlements, participated in the underwriting process with City consultants, and negotiated key business terms and conditions for the affordable housing development. These key terms and conditions (Attachment A) were approved by LAHD's Loan Committee and agreed to by the development team. The DDA template approved by LAHD is provided as Attachment B of this report.

LAHD is now requesting the authority to execute a DDA with the developers, based on the key terms and conditions. An executed DDA will allow the developers to secure full project financing and will commit public land to produce 140 units of supportive housing.

TABLE 1, Land Development Recommendations

City-Owned Property Address	Council District	Selected Lead Developer	Land Transfer Type	Fair Market Value	Affordable Units	Total Units
2100 S. Pacific Avenue 128 E. Venice Blvd 208 E. Venice Blvd 216 E. Venice Blvd 302 E. Venice Blvd 319 E. Venice Blvd 200 E. Venice Blvd 212 E. Venice Blvd 125 E. Venice Blvd	11	Venice Community Housing Corporation and Hollywood Community Housing Corporation	Ground Lease	$3,349,00	136	140

Environmental Clearance Process

The City of Los Angeles Department of City Planning (DCP) is the lead agency for these projects for the purpose of the California Environmental Quality Act of 1970 (CEQA). In a letter dated to the developer on December 1, 2021, the following entitlements were approved for the project: CEQA statutory exemption, vesting tentative tract map, coastal development permit, site plan review, Mello Act compliance, project permit compliance, general plan amendment, zone change, height district change, and specific plan amendment.

Land Disposition

LADOT operates Lot 731 as a public parking facility, and will continue to do so until construction approaches. Approximately three months before construction is set to begin, LAHD and LADOT will effectuate a non-financial transfer of jurisdiction of the parcels comprising the parking lot from LADOT to LAHD. Once full financing is secured, LAHD will make final arrangements for the disposition of the property in accordance with the Housing Development Land Conveyance Policy approved by the City Council on November 8, 2017 (C.F. No. 17-0862). In this case, the property will be transferred to the developers through a 55-year ground lease with an option for four 11-year extensions, based on the attached key terms. The terms include a residential ground lease payment of $1 per year and a residual receipt split for the commercial component of the site, for the full term of the lease. It should be noted that a below-market ground lease payment is common practice for publicly-owned land being used for a community benefit like affordable housing, and the residual receipts payment to the City will actually assist this housing tax credit project in avoiding a potential federal tax liability.

FISCAL IMPACT

There is no impact to the General Fund. The recommendations contained in this report will authorize LAHD to enter into a DDA that will allow for the development of 136 new supportive housing units.

Approved By:

ANN SEWILL
General Manager
Los Angeles Housing Department

ATTACHMENTS:

Executed Term Sheet
Form of DDA

Venice Dell Community
2102-2120 S. Pacific Ave., 116-302 E. North Venice Blvd.,
2106-2116 S. Canal St., and 319 E. South Venice Blvd.
Disposition and Development Agreement
Key Terms and Conditions

1. Parties to the Agreement:

The Disposition and Development Agreement ("DDA") for the Venice Dell Community project ("Project") shall be entered by the City of Los Angeles, a municipal corporation ("City"), and Venice Community Housing Corporation, a non-profit corporation, and Hollywood Community Housing Corporation, a non-profit corporation (the "Developer" or "Developers"). The Developers have formed Venice Dell GP, LLC, a limited liability company ("LLC") which is a joint venture that will be the Developer for the Project. Since the Developers are the sole members of the LLC, the LLC may be the entity that enters into the DDA.

Venice Community Housing Corporation and Hollywood Community Housing Corporation will create a limited partnership, which will enter into Ground Lease(s) with the City and will be the Lessee. The LLC will be the Managing General Partner of a to-be-formed limited partnership.

2. Site Description:

The following describes the land currently owned by the City:

	Address	APN	Location	Parcel Size (Sf)	Legal Descriptions
Parcel 1	2102-2120 S. Pacific Avenue, 124 E. South Venice Boulevard	4238-024-900	West Side	27,834	Attachment A
Parcel 2	116-128 E. Venice Boulevard	4238-024-902	West Side	14,054	Attachment A
Parcel 3	204-208 E. Venice Boulevard	4238-024-903	East Side	6,333	Attachment A
Parcel 4	214 E. Venice Boulevard	4238-024-905	East Side	6,333	Attachment A
Parcel 5	302 E. Venice Boulevard	4238-024-906	East Side	3,166	Attachment A
Parcel 6	301-319 E. Venice Boulevard, 2116 S. Canal Street	4238-024-907	East Side	47,796	Attachment A
Parcel 7	200 E. Venice Boulevard, 2106 S. Canal Street	4238-024-908	East Side	3,166	Attachment A
Parcel 8	N/A	4238-024-909	West Side	1,120	Attachment A
Parcel 9	210-212 E. Venice Boulevard	4238-024-910	East Side	3,166	Attachment A
Parcel 10	125 E. Venice Boulevard	4238-024-911	West Side	2,700	Attachment A
Total Site				**115,674**	

The Project has an approved Vesting Tentative Tract Map (No. VTT 82288), which details the merger and re-subdivision of land to create two master ground lots and seven airspace lots. The airspace lots delineate the residential and commercial uses, as well as the DOT public parking structure. The land under the DOT public parking structure (Airspace Lot 8) and Airspace Lot 8 will be excluded from the land conveyance.

The Parcel Map and approved Vesting Tentative Tract Map are in Attachments B and C, respectively. The Site straddles the Grand Canal and will be developed in one phase. However, it may be necessary to carve out separate ground leases prior to conveyance of the Site.

3. Site History:

Based on the Comprehensive Homeless Strategy ("CHS") report issued by the Office of the City Administrative Officer ("CAO") and the Office of the Chief Legislative Analyst ("CLA") that was approved by City Council on February 9, 2016, the CAO and Mayor's Office have identified the Site, currently operated by the Department of Transportation ("DOT"), as a potential site for permanent supportive housing. The Site was identified as either vacant, surplus or underutilized and approved by Council Office 11 as an Affordable Housing Opportunity Site.

In response to a Request for Qualifications and Proposals ("RFP/Q") issued by the CAO, the Developer submitted qualifications for a development project at the Site. On December 14, 2016, the City Council approved (Council File: 16-0600-S145) the selection of the Developer for the purpose of creating a full development plan and negotiating terms of a DDA and/or ground lease under a 720 day Exclusive Negotiation Agreement ("ENA") dated January 12, 2017, and the Developer provided a $50,000 good faith, no-refundable site control fee. The ENA was subsequently extended until March 31, 2021. Since then, the ENA was automatically tolled/extended per the Mayor's tolling order, which was enacted in April 2020 and is still in place. Therefore, as of now, the ENA has been extended to January 1, 2023.

The following entitlements were approved for the Project on December 1, 2021: CEQA statutory exemption, vesting tentative tract map, coastal development permit, site plan review, Mello Act compliance, project permit compliance, general plan amendment, zone change, height district change and specific plan amendment. However, the general plan amendment-related entitlements is anticipated to be approved pending the drafting and approval of the two City ordinances needed to implement the General Plan Amendment. The approval of these ordinances by the City Council is anticipated to occur in June 2022. The final step in the process, to have the Coastal Commission approve the Coastal Permit, is anticipated to occur in July 2022.

The Site is currently improved with 196 surface parking spaces operated by DOT and one multi-family residential structure that includes four units. In accordance with the Mello Act, the four units will be replaced in the Project.

4. Project Specific:

The following provides information on Project specific matters:

a. Site Remediation:

Phase I and Phase II Environmental Site Assessments have been completed for the Site, and there was no evidence or indications of environmental concerns in connection with the Site. However, the Site is located in a Methane Zone and it is assumed that a passive methane mitigation system will be required. In addition, it is assumed that the existing residential four-plex, which was constructed in 1966, will require lead-based paint and asbestos abatement to mitigate risks during demolition.

b. Replacement Parking:

As required in the RFQ/P and increased by Coastal Commission requirements, the Project is required to replace the 196 existing DOT public parking spaces. The replacement parking spaces will be provided in the public parking structure with approximately 244 spaces and located on the east side of the Site. The replacement parking will be financed with a MICLA loan.

c. Public Parking Garage:

The City will develop, own and operate a three-story (five-level), public parking structure with approximately 244 spaces on the east side of the Site, which will include the 27 Beach Impact Parking (BIP) spaces that are required for the Project and the 196 replacement public parking spaces. DOT/GSD will enter into a separate Public Parking Agreement with the Developer to construct the public parking structure using the MICLA loan and an approximate $1,295,000 payment from the Project as funding sources. The Project will not own the BIP spaces or be responsible for operating or maintaining the public parking structure. The east side residential units will be built around the three-story (five-level) public parking structure. Land under the public parking structure as well as the airspace above it will be excluded from the Ground Lease(s) between the City and the limited partnership that will develop and operate the Project. The intention is for the Developers to form a single-purpose Limited Liability Company, whose sole purpose will be to act as a turn-key developer of the DOT public parking structure. It is envisioned that the to-be-formed LLC will enter into a separate turnkey development agreement with the City for the construction of the public parking structure.

East Side Public Parking Structure	Parking Spaces
Boat Launch Spaces (short term)	2
BIP Spaces	27
Replacement Spaces	196
Additional Spaces (up to)	19
Total Public Parking Spaces	**244**

d. Housing Relocation / Replacement Requirements:

The Site is currently including an existing residential multi-family building including four units that are owned and operated by GSD. In May 2020, the four units were occupied and a Relocation Plan was prepared for the Developer by Shober Relocation Consulting, Inc. At the time, there was no over-crowding issues with the units. The four-plex will be replaced in the Project. The Relocation Plan estimated the total relocation costs to be $377,350 for relocating the tenants in fiscal year 2020/21. The Developer has budgeted $400,000 for permanent relocation costs, or $100,000 per household.

e. Labor Rate:

The Project will incur federal Davis Bacon and State of California prevailing wages as required by Project funding sources and Measure JJJ labor requirements related to a skilled and trained workforce will also be required due to the General Plan Amendment. It is assumed that the Project will not be required to enter into a Project Labor Agreement.

5. Development Plan Summary:

The Development Plan shall be implemented and completed as described below, subject to the 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 mixed-use development will be constructed in two structures, on either side of the Grand Canal. The building on the west side of the canal will include a four-level parking garage with three stories of residential/commercial improvements wrapping the parking garage. The building on the east side of the canal will include a five level public parking structure that will be developed by a single-purpose LLC formed by the Developers, and ultimately owned and managed by the City. The Project will provide a total of 140 residential units consisting of 136 affordable units of which 68 units will be permanent supportive housing (PSH) units and 34 units will have an artist preference.

b. Project Site Plan:

Attached is the current Site Plan for the Project ("Attachment D").

c. **Gross Building Area:**

The Project gross building area ("GBA") is summarized as follows:

Sf GBA	West Side	East Side	Total Project
Residential Living Area	21,770	42,510	**64,280**
Support Offices / Common Area / Covered Alcoves & Overhangs	5,072	14,570	**19,825**
Commercial Space	2,255	0	**2,255**
Restaurant Space	810	0	**810**
Community Art Space	0	2,875	**2,875**
Circulation	6,250	7,565	**13,815**
Totals	**36,157**	**67,800**	**103,957**

d. **Unit Mix:**

The Project will have the following residential unit mix:

Unit Mix	West Side	East Side	Total Project
Live/Work Units	13	21	**34**
Studio Units	43	12	**55**
1-Bedroom Units	5	20	**25**
2-Bedroom Units	2	24	**26**
Totals	**63**	**77**	**140**

e. **Targeted Populations:**

The residents will include the following population mix:

	Number of Units	% of Restricted Units
Homeless Households	68	50%
Low Income Artists	34	25%
Low Income Families/Individuals	34	25%
Total Restricted Units	**136**	**100%**

f. **ADA Requirements:**

A certified access specialist ("CASp") will be retained for the Project, and a CASp certificate of inspection will be issued prior to Certificate of Occupancy ("COO"). For COO issuance, the Project shall meet all LADBS' Disabled Access Services requirements; at least 11 % of all units will comply with the Uniform Federal Accessibility Standards ("UFAS") requirements for mobility accessibility and at least 4% of the units will comply with the UFAS requirements for visual accessibility and hearing accessibility.

g. **Parking:**

The following summarizes the parking spaces provided by the Project in a three-story parking structure located on the west side of the Site.

West Side Parking Garage	Parking Spaces
Residential Spaces	61
Commercial Spaces	42
Boat Launch Spaces	1
Additional Spaces	1
Total Parking Spaces	**105**

h. Amenities:

The Project will provide community-serving space that will be used for supportive services offices, and laundry facilities. The Project will also include outdoor landscaped areas, roof decks and 136 bicycle storage spaces (117 long-term and 19 short-term).

i. Social Services to be Provided at Project:

It is anticipated that Venice Community Housing Corporation will provide 3.4 full-time equivalents ("FTE") for Intensive Case Management Services ("ICMS") and 1.6 FTE for Service Coordination ("SC") for a total of five full-time staff. The services will be provided with offices on-site, as well as multiple services partners, providing comprehensive, integrated services and support for tenants; appropriate clinical supervision and other oversight will also be provided onsite. Community rooms for services, activities and other tenant amenities and a community arts center.

The onsite SC will provide the following services:

- Coordinate onsite therapeutic and community groups for housing support and stability, mental health support, harm reduction and recovery.
- Oversee volunteer coordination and in-kind donations for on-site services and develop a tenant council.
- Assist tenants with employment and educational pursuits, accompany tenants to appointments, assist with rental subsidy compliance and be a liaison with Property Management.
- Support Case Managers.

6. Affordability Restrictions:

With four units set-aside for on-site managers' units, the remaining 136 units will be restricted with the following income and affordability requirements for 55-years from the Certificate of Occupancy ("COO") as follows:

a. City Land Regulatory Agreement

The following summarizes the affordability restrictions that will be applied to the Residential Ground Lease Parcel in an unsubordinated regulatory agreement for a term of 55-years from COO:

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
Moderate Income	§50093 / Schedule VI	§50053 / Schedule VI	89	25	22	**136**
Total Units			**89**	**25**	**22**	**136**

b. City TOC Tier 4 Regulatory Agreement

The following summarizes the affordability restrictions that will be applied to the Residential Site in an unsubordinated regulatory agreement for a term of 55-years from COO:

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
Low Income	§50079.5 / Schedule VI	§50053 / Schedule VI	89	25	22	**136**
Total Units			**89**	**25**	**22**	**136**

c. City HOME Loan Regulatory Agreement

The following summarizes the affordability restrictions that will be applied to the Residential Site in an unsubordinated regulatory agreement for a term of TBD-years from COO:

	Income Restriction	Rent Restriction	Studio Units	1-Bdrm Units	2-Bdrm Units	Total Units
Low HOME	TBD	TBD	TBD	TBD	TBD	**TBD**
High HOME	TBD	TBD	TBD	TBD	TBD	**TBD**
Total Units			**89**	**25**	**22**	**136**

7. Commercial Use Restrictions:

- The inclusion of the commercial space is in response to Coastal Commission requirement to include some visitor-serving purposes in residential sites and from community engagement. The Commercial space will be restricted for 55-years from the Certificate of Occupancy ("COO") . Use restrictions and terms will be specified and discussed in more detail in additional documents at the time of execution of Disposition and Development Agreement and/or Ground Lease. The areas subject to the commercial use restrictions are:

- Approximately 2,255 square feet of ground floor commercial space along Pacific Avenue

- Approximately 810 square feet of (indoor) ground floor commercial space located on the west side of the Grand

- Approximately 2,875 square feet of commercial space located on the east side of the Grand Canal

8. Ground Lease Terms:

The following includes the terms for the ground lease(s):

a. Ground Lease Parcel:

The Ground Lease parcel will be finalized at ground lease closing.

b. Lease of Ground Lease Parcel:

The City agrees to ground lease the Ground Lease Parcel to Lessee and Lessee agrees to ground lease the Ground Lease Parcel from the City, the leasehold interest in the Ground Lease Parcel in accordance with the DDA ("Ground Lease"). The Ground lease will have a 99-year term.

c. Lease Payment for Ground Lease Parcel:

- A 99-year ground lease term consisting of a 55-year initial term ("Initial Term"), followed by four 11-year extensions.

- **Residential Component:** During the Initial Term, LAHD will charge an annual rent of $1, with the option for the Lessee to prepay the rent for the full Initial Term at closing. The Residential Component Ground Lease Rent will be reappraised and adjusted at the time of each extension, in compliance with State Law requirements for long-term leases.

- **Commercial Component:** During the Initial Term, annual rent is 50% of residual receipts. The Commercial Component Ground Lease Rent will be reappraised and adjusted at the time of each extension, in compliance with State Law requirements for long-term leases;

- The Ground Lease will not be subordinated to the construction and permanent debt lenders of the Project.

- If the affordability and/or commercial use restrictions are no longer in place, then the Project will pay a market ground lease rent based on a fair market rent appraisal at the time the affordability and/or restrictions expire or are removed. Use restrictions and terms will be specified and discussed in more detail in additional documents at the time of execution of Disposition and Development Agreement and/or Ground Lease.

d. <u>Minimum Reserves:</u>

The following summarizes the minimum reserve requirements:

- Capitalized Operating Reserves: $467,473, or three-months of operating expenses and debt service.

- Capitalized Transition Reserves: $420,736, or an amount as required by HCD.

- Annual Replacement Reserves: $500 per unit, or an amount as required by HCD.

e. <u>Developer Fee:</u>

The total developer fee is estimated at $3,300,000. The Developer will not defer any of the developer fee to be repaid with cash flow; however, the Developer is proposing to contribute approximately $800,000 of the developer fee to the Project in order to meet LAHD developer fee requirements.

f. <u>Subordination:</u>

The following summarizes the agreed upon subordination terms:

Agreement Description	Subordination Status
Ground Lease	Unsubordinated
Affordability Restriction	Unsubordinated
Use Restrictions	Unsubordinated

9. <u>Public Parking Payment:</u>

The Project will contribute approximately $1,295,000 to the East Side public parking structure funding sources for the BIP spaces.

10. <u>Financing Plan:</u>

The following is the proposed financing plan for the Project:

Construction Description	Entity	Residential Component	Commercial Component	Total Project
Tax-Exempt Bonds (Construction Loan)	CDLAC/TBD	$45,120,000	$0	**$45,120,000**
Taxable Construction Loan	TBD	$19,076,000	$0	**$19,076,000**
Tax-Exempt Bonds (Permanent Loan)	CDLAC/TBD	$5,488,000	$0	**$5,488,000**
Tax Credit Equity	TCAC/TBD	27,610,000	7,061,000	**34,671,000**
AHMP Loan + Accrued Interest	LAHD	6,397,000	0	**6,397,000**

Super NOFA Loan	HCD	30,764,000	0	**30,764,000**
Infill Infrastructure Grant	HCD	7,500,000	0	**7,500,000**
AHP Loan	FHLB	1,250,000	0	**1,250,000**
Deferred Developer Fee	Developer	0	0	**0**
Capital Contribution	Developer	800,000	0	**800,000**
Project Based Vouchers	HACLA	68 Vouchers	N/A	**68 Vouchers**
Total Permanent Funding Sources		**$79,809,000**	**$7,061,000**	**$86,870,000**

Attached is the current Developer Pro Forma for the Project ("Attachment E"). The Developer is seeking a HOME Loan, PBVs and a below market rate Ground Lease from the City.

11. <u>Project Milestones:</u>

The following summarizes the anticipated timeline for the Project:

Action	Timing
Key Terms and Conditions Executed	April 2022
DDA Executed	May 2022
DOT Approves Parking Garage Loan	April 2022
DOT Public Parking Garage Agreement Executed	May 2022
LAHD AHMP Loan application Submittal / Approval	Jan 2022 / April 2022
HACLA PBV Application Submittal / Approval	April 2022 / June 2022
FHLB AHP Loan Application Submittal / Approval	March 2023 / June 2023
HCD – MHP/VHHP/IIG Application Submittal / Approval	June 2022 / Nov 2022
LAHD Inducement Application Submittal / Approval	Nov 2022 / Jan 2023
CDLAC/TCAC Application Submittal / Approval	Jan 2023 / April 2023
Entitlements Application Submittal / Secured	Nov 2018 / April 2022
Public Parking Component: Construction Commences / Completed	Oct 2022 /Jan 2024
Project: Financing / Ground Lease Closings	October 2023
Project: Construction Commences / Completed	Oct 2023 / March 2026
Project: Lease-Up Period	April 2026 / Sept 2026
Project: Stabilization / Permanent Loan Conversion	Jan 2027

---Signatures on the next page ---

12. 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 Disposition and Development Agreement, Ground Leases and associated City contractual documents.

LAHD
City of Los Angeles Housing Department

By: ______________________________ Date: ____________________

Daniel Huynh
Assistant General Manager

LESSEE
Venice Dell GP, LLC, a California Limited Liability Company

By: ______________________________ Date: ____________________

Becky Dennison
Executive Director
Venice Community Housing Corporation

By: ______________________________ Date: ____________________

Sarah Letts
Executive Director
Hollywood Community Housing Corporation

Attachment A:	Legal Descriptions
Attachment B:	Parcel Map
Attachment C:	Vesting Tentative Tract Map
Attachment D:	Project Site Plan
Attachment E:	Project Pro Forma

12. **<u>Agreement of Key Terms and Conditions:</u>**

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 Disposition and Development Agreement, Ground Leases and associated City contractual documents.

LAHD
City of Los Angeles Housing Department

By: ______________________ Date: ______________

Daniel Huynh
Assistant General Manager

LESSEE
Venice Dell GP, LLC, a California Limited Liability Company

By: ______________________ Date: 4.19.22

Becky Dennison
Executive Director
Venice Community Housing Corporation

By: ______________________ Date: 4.19.22

Sarah Letts
Executive Director
Hollywood Community Housing Corporation

Attachment A:	Legal Descriptions
Attachment B:	Parcel Map
Attachment C:	Vesting Tentative Tract Map
Attachment D:	Project Site Plan
Attachment E:	Project Pro Forma

Attachment A

Legal Descriptions

<u>EXHIBIT A</u>

LEGAL DESCRIPTION

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

LOTS 1 THRU 7, INCLUSIVE, 36 THRU 42, INCLUSIVE IN BLOCK 9; LOTS 1 THRU 12, INCLUSIVE IN BLOCK 12; LOTS 1 AND 7 THRU 12, INCLUSIVE IN BLOCK 14, ALL OF THE SHORT LINE BEACH SUBDIVISION NO. 1 IN THE CTIY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGES 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF ALBERTA AVENUE, 40 FEET WIDE, AS DESCRIBED IN THE RESOLUTION TO VACATE NO. 85-21463, RECORDED MARCH 22, 1985, AS INSTRUMENT NO. 85-316811, OF OFFICIAL RECORDS, AS SHOWN ON MAP OF SAID SHORT LINE BEACH SUBDIVISION NO. 1, BOUNDED NORTHWESTERLY BY THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF THE NORTHWESTERLY 5 FEET OF LOT 1 IN BLOCK 14 AND BOUNDED SOUTHEASTERLY BY THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF LOT 12 IN BLOCK 14 OF SAID SHORT LINE BEACH SUBDIVISION NO. 1.

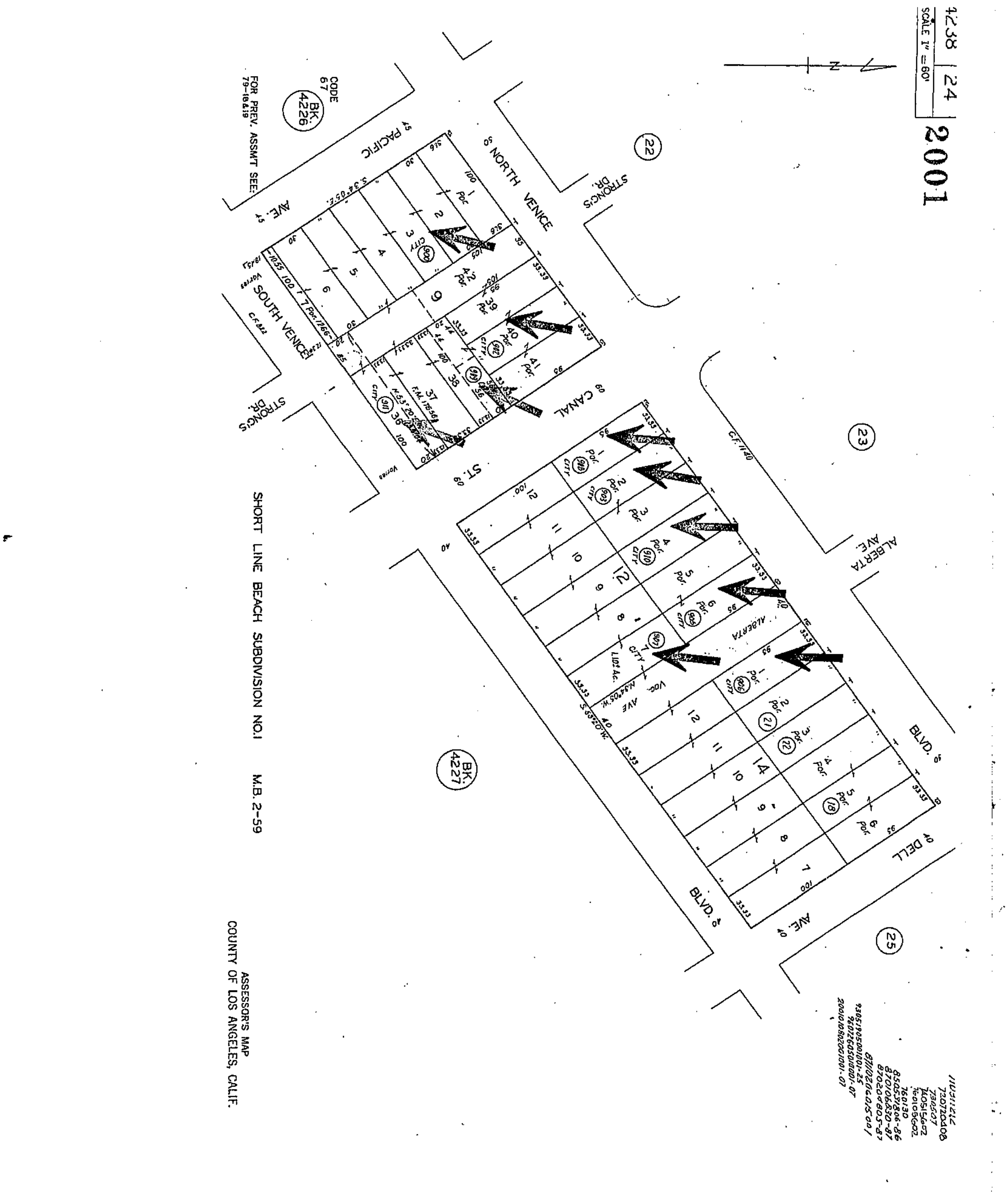
EXCEPT THEREFROM ALL MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER OCCURRING 500 FEET BENEATH THE SURFACE THEREOF, WITHOUT THE RIGHTS OF SURFACE ENTRY.

ALSO EXCEPT THEREFROM THE NORTHWESTERLY 5 FEET THEREOF OF SAID LOTS 1, 39 THRU 42 IN BLOCK 9; LOTS 1 THRU 6, IN BLOCK 12 AND LOT 1 IN BLOCK 14, ALL OF THE SAID SHORT LINE BEACH SUBDIVISION NO. 1

APN: 4238-024-900 and 4238-024-902 and 4238-024-903 and 4238-024-905 and 4238-024-906 and 4238-024-907 and 4238-024-908 and 4238-024-909 and 4238-024-910 and 4238-024-911

Attachment B

Parcel Map



This map/plat is being furnished as an aid in locating the herein described Land in relation to adjoining streets, natural boundaries and other land, and is not a survey of the land depicted. Except to the extent a policy of title insurance is expressly modified by endorsement, if any, the Company does not insure dimensions, distances, location of easements, acreage or other matters shown thereon.

Attachment C

Vesting Tentative Tract Map

VESTING TENTATIVE TRACT MAP No. 82288

FOR CONDOMINIUM, MERGER AND SUBDIVISION PURPOSES

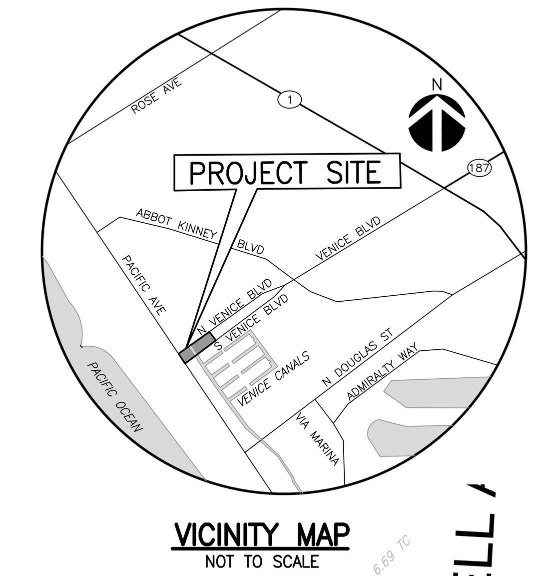
OWNER:
CITY OF LOS ANGELES
C/O HELMI HISSERICH, CITY OF LOS ANGELES HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT
1200 W. 7TH STREET, 8TH FLOOR LOS ANGELES, CA 90017
213-808-8662
HELMI.HISSERICH@LACITY.ORG

SUBDIVIDER:
DEVELOPER 1
HOLLYWOOD COMMUNITY HOUSING CORPORATION
C/O SARAH LETTS, EXECUTIVE DIRECTOR
5020 SANTA MONICA BOULEVARD, LOS ANGELES, CA 90029
323-454-6210
SLETTS@HOLLYWOODHOUSING.ORG

DEVELOPER 2
VENICE COMMUNITY HOUSING CORPORATION
BECKY DENNISON, EXECUTIVE DIRECTOR
720 ROSE AVENUE, VENICE, CA 90291
310-399-4100 EXT 101
BDENNISON@VCHCORP.ORG

LAND USE CONSULTANT:
ROSENHEIM & ASSOCIATES, INC.
CHRISTOPHER MURRAY, VICE PRESIDENT
21600 OXNARD STREET, SUITE 630, WOODLAND HILLS, CALIFORNIA 91367
818-716-2782
CHRIS@RAA-INC.COM

MAP PREPARER:
KPFF CONSULTING ENGINEERS, INC.
700 S. FLOWER STREET, SUITE 2100
LOS ANGELES, CA 90017
CONTACT: CHRISTOPHER JONES, PLS 8193
(213) 418-0201



ABBREVIATIONS:

AC	ASPHALT SURFACE
AD	AREA DRAIN
AG	ANCHOR GUY
APN	ASSESSOR PARCEL NUMBER
BLDG	BUILDING
BW	BACK OF WALK
CB	CATCH BASIN
CD	CURB DRAIN
CEFB	CITY ENGINEER FIELD BOOK
C/L	CENTERLINE
CL	CHAIN LINK
CO	CLEAN OUT
COR	CORNER
CONC	CONCRETE
DIA	DIAMETER
EC	END OF CURVE
EG	EDGE OF GUTTER
ELEC	ELECTRICAL
ESMT	EASEMENT
EV	ELECTRICAL VAULT
FB	FIELD BOOK
FD	FOUND
FDC	FIRE DEPT. CONNECTION
FF	FINISH FLOOR
FH	FIRE HYDRANT
FL	FLOW LINE
FP	FLAG POLE/FENCE POST
FS	FINISH SURFACE
GB	GRADE BREAK
GM	GAS METER
GND	GROUND
GP	GUARD POST
GV	GAS VALVE
INST.	INSTRUMENT
IP	IRON PIPE
L&T	LEAD & TACK
L&TG	LEAD & TAG
LS	LICENSED SURVEYOR
MB	MAP BOOK
MR	MISCELLANEOUS RECORDS
O/CL	OFF CENTER LINE
O/PL	OFF PROPERTY LINE
O.R.	OFFICIAL RECORDS
O/S	OFFSET
PB	PULL BOX
PIQ	PROPERTY IN QUESTION
PIV	POST INDICATOR VALVE
PL	PROPERTY LINE
PM	PARKING METER
PMB	PARCEL MAP BOOK
PP	POWER POLE
PROD	PRODUCED
PROP	PROPERTY
PTR	PRELIMINARY TITLE REPORT
REF	REFERENCE
R/W	RIGHT OF WAY
SSMH	SEWER MANHOLE
SDMH	STORM DRAIN MANHOLE
S&W	SPIKE & WASHER
SQ.FT.	SQUARE FEET
SSM	STANDARD SURVEY MONUMENT
S&W	SPIKE & WASHER
TC	TOP OF CURB
TG	TOP OF GRATE
TSPB	TRAFFIC SIGNAL PULL BOX
TW	TOP OF WALL
TYP	TYPICAL
WI	WROUGHT IRON
WM	WATER METER
WV	WATER VALVE OR VAULT

EXISTING TOPO LEGEND:

- CENTERLINE
- PROPOSED PROPERTY LINE
- EXISTING PROPERTY LINE
- PROPOSED DEDICATION/VACATION
- LOT LINE
- RIGHT-OF-WAY
- EASEMENT LINE
- PARCEL LINE PER PTR
- BUILDING LINE
- EDGE OF ASPHALT
- CHAINLINK FENCE
- WOOD FENCE
- GUARD RAIL
- WALL
- OVERHEAD POWER
- AREA DRAIN
- CURB DRAIN
- FIRE HYDRANT
- FIRE DEPARTMENT CONNECTION
- BACKFLOW PREVENTER
- CLEAN OUT
- CROSS WALK POLE
- GAS METER
- GUARD POST
- GAS VALVE
- COMMUNICATION MANHOLE
- STORM DRAIN MANHOLE
- ELECTRICAL MANHOLE
- SEWER MANHOLE
- TELEPHONE MANHOLE
- CABLE T.V. PULL BOX
- ELECTRICAL PULL BOX
- GTE PULL BOX
- STREET LIGHT PULL BOX
- TRAFFIC SIGNAL PULL BOX
- UNKNOWN PULL BOX
- ANCHOR GUY
- POWER POLE
- POWER POLE W/LIGHT
- DRIVE ARROW
- POST INDICATOR VALVE
- STREET SIGN
- ELECTRICAL VEHICLE CHARGE STATION
- TRAFFIC SIGNAL
- STREET LIGHT
- STREET LIGHT W/TRAFFIC SIGNAL
- AREA LIGHT ON 3'DIA CONC BASE
- WATER METER
- WATER VALVE
- HANDICAP PARKING
- TREE WITH TRUNK DIAMETER
- PALM TREE WITH DIAMETER
- PINE TREE WITH DIAMETER NOT TO SCALE
- CONCRETE SURFACE

PROJECT NOTES:

DISTRICT MAP: 106-5A145

COMMUNITY PLAN AREA: VENICE

AREA PLANNING COMMISSION: WEST LOS ANGELES

THOMAS BROS. GUIDE: 671-H6

COUNCIL DISTRICT: 11

ZONING (EXISTING AND PROPOSED):
EXISTING ZONING: OS-1XL-O;
PROPOSED ZONING: C2-1L-O

GENERAL PLAN DESIGNATION: OPEN SPACE

LOT CONFIGURATIONS, ELEVATIONS AND SIZES ARE APPROXIMATE IN NATURE AND WILL BE FINALIZED DURING THE FINAL MAP PHASE.

PROJECT CONSISTS OF 2 GROUND LOTS AND 7 AIRSPACE LOTS,

WE RESERVE THE RIGHT TO CONSOLIDATE LOTS.

WE RESERVE THE RIGHT TO PHASE THE FINAL MAPS.

REQUEST IS MADE AT THIS TIME FOR A HAUL ROUTE.

PROPOSED NUMBER OF RESIDENTIAL DWELLING UNITS – 140.

NO PROTECTED TREES ON SITE. ALL TREES TO BE REMOVED.

PROPOSED UTILITIES: SEWAGE AND DRAINAGE WILL BE PROVIDED BY THE CITY OF LOS ANGELES INFRASTRUCTURE SYSTEMS.

COMMENTS:

LEGAL DESCRIPTION . . . . FROM INFORMATION SUPPLIED BY THE CLIENT.

TITLE REPORT . . . . SEE SHEET 2 OF 4

⬡ = INDICATES PLOTTED EXCEPTION ITEM NO.

BASIS OF BEARINGS. . . . THE BEARING S 53°20'00" W ALONG THE NORTH VENICE BLVD (CENTER STREET), AS SHOWN ON THE MAP OF SHORT LINE BEACH SUBDIVISION NO. 1 FILED IN BOOK 2 PAGE 59, OF MAPS.

BENCHMARK . . . . CITY OF LOS ANGELES BENCHMARK NO. 16-00128
SQ. SPK IN W. CURB PACIFIC AVE. 1.4 FT S OF S P.L. VENICE BLVD. NORTH RDWY
ELEVATION = 15.360 FEET (NAVD88 - 2000 ADJUSTMENT)

AREA. . . . . TO CENTERLINE OF STREET.
PROPOSED GROUND LOT 1- 68,924 SQ. FT. 1.582 ACRES
PROPOSED GROUND LOT 2- 95,213 SQ. FT 2.186 ACRES

EXISTING AREA (TO EXISTING LOT LINES SHOWN HEREON)
PROPOSED GROUND LOT 1- 46,927 SQ. FT. 1.077 ACRES
PROPOSED GROUND LOT 2- 71,339 SQ. FT. 1.638 ACRES

POST-DEDICATION LOT AREA (TO EXISTING LOT LINES SHOWN HEREON)
PROPOSED GROUND LOT 1- 37,644 SQ. FT. 0.864 ACRES
PROPOSED GROUND LOT 2- 59,347 SQ. FT. 1.362 ACRES

ASSESSOR PARCEL NO. . .4238-024-900, 4238-024-902, 4238-024-903, 4238-024-905, 4238-024-906, 4238-024-907, 4238-024-908, 4238-024-909, 4238-024-910, 4238-024-911,

PROPERTY ADDRESS. . . .2102 - 2120 S. PACIFIC AVENUE, 116 - 302 E. NORTH VENICE BOULEVARD, 2106 -2116 S. CANAL STREET, AND 319 E. SOUTH VENICE BOULEVARD VENICE, CA 90291

UTILITIES . . . . .SURFACE UTILITIES ARE PLOTTED BASED ON OBSERVED EVIDENCE ONLY. THIS SURVEY DOES NOT SHOW THE LOCATION OF UNDERGROUND UTILITIES BASED ON PLANS PROVIDED BY UTILITY COMPANIES AND OTHER APPROPRIATE SOURCES.

FLOOD ZONE . . . . .SUBJECT PROPERTY LIES WITHIN FLOOD ZONE X (SHADED), AREAS OF 0.2% ANNUAL CHANCE FLOOD, AS SHOWN ON FLOOD INSURANCE RATE MAP NUMBER 06037C1751F, PANEL NO. 751 WITH AN EFFECTIVE DATE OF SEPTEMBER 26, 2008 PUBLISHED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY.

PREPARED UNDER THE DIRECTION OF:

10/31/2018

CHRISTOPHER JONES, PLS 8193 DATE
CHRIS.JONES@KPFF.COM

LICENSED LAND SURVEYOR
CHRISTOPHER M. JONES
No.8193
STATE OF CALIFORNIA

SHEET INDEX:
SHEET 1 .... VTTM PLAN SHEET
SHEET 2 .... DRAWING NOTES, ETC
SHEET 3 .... AIRSPACE LOT CONFIGURATIONS
SHEET 4 .... AIRSPACE ISOMETRIC VIEW

DATE REVISIONS

PROJECT #	1800396
DATE PREPARED	10/31/2018
DRAWN BY	BI
CHECKED BY	CJ

REESE DAVIDSON COMMUNITY

PREPARED FOR:
HOLLYWOOD COMMUNITY HOUSING
5020 SANTA MONICA BLVD
LOS ANGELES, CA 90029
ATTN: ELENOR ATKINS

kpff
700 South Flower St., Suite 2100
Los Angeles, CA 90017
O: 213.418.0201
F: 213.266.5294
www.kpff.com

VESTING TENTATIVE TRACT MAP No. 82288

FOR CONDOMINIUM, MERGER AND SUBDIVISION PURPOSES

LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: ASSESSOR'S PARCEL NUMBER: 4238–024–907

LOTS 7 TO 12 INCLUSIVE IN BLOCK 12 AND LOTS 7 TO 12 INCLUSIVE IN BLOCK 14, SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TOGETHER WITH THAT PORTION OF ALBERTA AVENUE (40 FEET WIDE) AS SHOW ON MAP OF THE SHORT LINE BEACH SUBDIVISION NO. 1, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE RECORDER OF SAID COUNTY, LYING BETWEEN THE SOUTHWESTERLY PROLONGATION OF THE NORTHWESTERLY AND SOUTHEASTERLY LINES OF LOT 12, BLOCK 14, OF SAID SHORT LINE BEACH SUB DIVISION NO. 1, WHICH WOULD PASS BY OPERATION OF LAW WITH THE CONVEYANCE OF SAID LAND.

EXCEPT THEREFROM ALL OF THE MINERALS AND MINERAL ORES OF EVERY KIND AND CHARACTER OCCURRING FIVE HUNDRED FEET (500') BENEATH THE SURFACE THEREOF, NOW KNOWN TO EXIST OR HEREAFTER DISCOVERED UPON, WITHIN, OR UNDERLYING SAID LAND OR THAT MAY BE PRODUCED THEREFROM, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ALL PETROLEUM, OIL, NATURAL GAS, AND OTHER HYDROCARBON SUBSTANCES AND PRODUCTS DERIVED THEREFROM, TOGETHER WITH THE EXCLUSIVE AND PERPETUAL RIGHT OF SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, OF INGRESS AND EGRESS BENEATH THE SURFACE OF SAID LAND TO EXPLORE FOR, EXTRACT, MINE, AND REMOVE THE SAME, AND TO MAKE SUCH USE OF SAID LAND BENEATH THE SURFACE AS IS NECESSARY OR USEFUL IN CONNECTION THEREWITH, AND OTHER USES THEREOF, WHICH USES MAY INCLUDE LATERAL OR SLANT DRILLING, DIGGING, BORING, OR SINKING OF WELLS, SHAFTS, OR TUNNELS TO OTHER LANDS NOT SUBJECT TO THOSE RESERVATIONS AND EASEMENTS; PROVIDED, HOWEVER, THAT SAID GRANTOR, ITS SUCCESSORS AND ASSIGNS, SHALL NOT USE THE SURFACE OF SAID LAND IN THE EXERCISE OF ANY OF SAID RIGHTS AND SHALL NOT DISTURB THE SURFACE OF SAID LAND OR ANY IMPROVEMENTS THEREON OR REMOVE OR IMPAIR THE LATERAL OR SUBJACENT SUPPORT OF SAID LAND OR ANY IMPROVEMENTS THEREON, AND SHALL CONDUCT NO OPERATIONS WITHIN FIVE HUNDRED FEET (500') OF THE SURFACE OF SAID LAND, AS PROVIDED IN GRANT DEED RECORDED DECEMBER 12, 1960 AS INSTRUMENT NO. 1374, OFFICIAL RECORDS.

PARCEL 2: ASSESSOR'S PARCEL NUMBER: 4238–024–905

LOTS 5 AND 6 IN BLOCK 12 OF SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT ALL OIL, GAS, HYDROCARBONS AND ALL MINERALS LYING IN, ON OR UNDER SAID LAND, HOWEVER, NO RIGHT OF ENTRY IS RESERVED UPON THE SURFACE FOR THE PURPOSE OF EXPLORING FOR OR EXTRACTING OIL, GAS, HYDROCARBONS OR MINERALS; RESERVING, HOWEVER, THE RIGHT TO ENTER THE SUB–SURFACE BELOW A DEPTH 500 FEET FROM THE SURFACE OF SAID LAND, FOR THE PURPOSE OF EXTRACTING SAME, AS RESERVED BY ROBERT C. BALMER AND DORA M. BALMER, HUSBAND AND WIFE, BY DEED RECORDED APRIL 23, 1969 AS INSTRUMENT NO. 1088 IN BOOK D4347, PAGE 220, OFFICIAL RECORDS.

PARCEL 3: ASSESSOR'S PARCEL NUMBER: 4238–024–906

LOT 1 IN BLOCK 14 OF SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 4: ASSESSOR'S PARCEL NUMBER: 4238–024–906

THAT PORTION OF ALBERTA AVENUE, 40 FEET WIDE, ADJOINING LOT 6, BLOCK 12 AND LOT 1, BLOCK 14, SHORT LINE BEACH SUBDIVISION NO. 1, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, BOUNDED SOUTHEASTERLY BY THE SOUTHWESTERLY PROLONGATION OF THE SOUTHEASTERLY LINE OF SAID LOT 1 AND BOUNDED NORTHWESTERLY BY THE SOUTHWESTERLY PROLONGATION OF THE NORTHWESTERLY LINE OF THE SOUTHWESTERLY 5 FEET OF SAID LOT 1, VACATED BY THAT CERTAIN RESOLUTION TO VACATE NO. 85– 21463 RECORDED MARCH 22, 1985 AS INSTRUMENT NO. 85–316811 OF OFFICIAL RECORDS, WHICH WOULD PASS BY OPERATION OF LAW WITH THE CONVEYANCE OF SAID LOT 6 AND LOT 1.

PARCEL 5: ASSESSOR'S PARCEL NUMBER: 4238–024–908

LOT 1 IN BLOCK 12, SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE NORTHWESTERLY 5 FEET THEREOF INCLUDED IN CENTER STREET.

ALSO EXCEPT THEREFROM ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS IN, UNDER AND RECOVERABLE FROM THE ABOVE DESCRIBED REAL PROPERTY BUT WITHOUT THE RIGHT TO ENTER, DRILL OR PENETRATE IN OR UPON THE SURFACE OF SAID PROPERTY OR WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR THE PURPOSES OF REMOVING SAID CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS, AS RESERVED BY A.C. DANIELS AND DOROTHY E. DANIELS, HUSBAND AND WIFE AND CELIA CALZIA, A MARRIED WOMAN, IN DEED RECORDED DECEMBER 3, 1986 AS INSTRUMENT NO. 86–1665148, OFFICIAL RECORDS.

PARCEL 6: ASSESSOR'S PARCEL NUMBER: 4238–024–903

LOTS 2 AND 3 IN BLOCK 12, SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 7: ASSESSOR'S PARCEL NUMBER: 4238–024–910

LOT 4 IN BLOCK 12, SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS IN, UNDER AND RECOVERABLE FROM THE ABOVE DESCRIBED REAL PROPERTY BUT WITHOUT THE RIGHT TO ENTER, DRILL OR PENETRATE IN OR UPON THE SURFACE OF SAID PROPERTY OR WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR THE PURPOSES OF REMOVING SAID CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS, AS RESERVED BY IAN A. BARDIN, A SINGLE MAN, IN DEED RECORDED JULY 17, 1987 AS INSTRUMENT NO. 87–1133488, OFFICIAL RECORDS.

PARCEL 8: ASSESSOR'S PARCEL NUMBER: 4238–024–900

LOTS 1 TO 7 INCLUSIVE, AND LOTS 36, 37 AND 42 AND THE SOUTHEASTERLY 13 AND 1/3 FEET OF LOT 38, ALL IN BLOCK 9, SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM THE NORTHWESTERLY 5 FEET OF SAID LOT 1.

ALSO EXCEPT THEREFROM THAT PORTION OF LOT 7 LYING SOUTHEASTERLY OF THE NORTHWESTERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED TO THE CITY OF VENICE, RECORDED IN BOOK 5789 PAGE 90 OF DEEDS.

ALSO EXCEPT THEREFROM THE SOUTHEASTERLY 20 FEET OF SAID LOT 36.

ALSO EXCEPT THEREFROM THE NORTHWESTERLY 110 FEET AND THE SOUTHEASTERLY 20 FEET OF SAID LOT 42.

PARCEL 9: ASSESSOR'S PARCEL NUMBER: 4238–024–911

THOSE PORTIONS OF LOTS 36 AND 42 IN BLOCK 9, SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BOUNDED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY CORNER OF SAID LOT 36; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE AND ITS SOUTHWESTERLY PROLONGATION OF SAID LOT 36 A DISTANCE OF 135.04 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT 42; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE20 FEET TO THE SOUTHEASTERLY LINE OF THE LOS ANGELES PACIFIC RAILROAD COMPANY RIGHT OF WAY, 60 FEET WIDE, AS DESCRIBED IN BOOK 2388, PAGE 182 OF DEEDS, IN THE OFFICE OF SAID COUNTY RECORDER; THENCE NORTHEASTERLY ALONG SAID SOUTHEASTERLY LINE 135.04 FEET TO THE NORTHEASTERLY LINE OF SAID LOT 36; THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE 20 FEET TO THE POINT OF BEGINNING.

PARCEL 10: ASSESSOR'S PARCEL NUMBER: 4238–024–902

LOTS 39, 40, 41 AND THE NORTHWESTERLY 110 FEET OF LOT 42 AND THE WESTERLY 44 FEET OF THE NORTHWESTERLY 20 FEET OF LOT 38, IN BLOCK 9, SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2, PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 11: ASSESSOR'S PARCEL NUMBER: 4238–024–909

THE NORTHERLY 20 FEET OF THE EASTERLY 56 FEET OF LOT 38, IN BLOCK 9, SHORT LINE BEACH SUBDIVISION NO. 1, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 2 PAGE 59 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ALL CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS IN, UNDER AND RECOVERABLE FROM THE ABOVE DESCRIBED REAL PROPERTY BUT WITHOUT THE RIGHT TO ENTER, DRILL OR PENETRATE IN OR UPON THE SURFACE OF SAID PROPERTY OR WITHIN 500 FEET BELOW THE SURFACE THEREOF FOR THE PURPOSES OF REMOVING SAID CRUDE OIL, PETROLEUM, GAS, BREA, ASPHALTUM AND ALL KINDRED SUBSTANCES AND OTHER MINERALS, AS RESERVED BY NELAND E. SPRIK AND ALBERTA C. SPRIK, HUSBAND AND WIFE, IN DEED RECORDED DECEMBER 30, 1986 AS INSTRUMENT NO. 86–1829297, OFFICIAL RECORDS.

EXCEPTIONS

1. WATER RIGHTS, CLAIMS OR TITLE TO WATER, WHETHER OR NOT DISCLOSED BY THE PUBLIC RECORDS.

2. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT: GRANTED TO: UNITED ELECTRIC GAS AND POWER COMPANY, A CORPORATION
PURPOSE: POLES, GAS MAINS, PIPES AND CONDUITS
RECORDING NO: IN BOOK 1645 PAGE 150 OF DEEDS
AFFECTS: SAID LAND

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

3. COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, CITIZENSHIP, IMMIGRATION STATUS, PRIMARY LANGUAGE, ANCESTRY, SOURCE OF INCOME, GENDER, GENDER IDENTITY, GENDER EXPRESSION, MEDICAL CONDITION OR GENETIC INFORMATION, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW, AS SET FORTH IN THE DOCUMENT

RECORDING NO: IN BOOK 2086 PAGE 175 OF DEEDS

AFFECTS: LOT 1 BLOCK 14

4. COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, CITIZENSHIP, IMMIGRATION STATUS, PRIMARY LANGUAGE, ANCESTRY, SOURCE OF INCOME, GENDER, GENDER IDENTITY, GENDER EXPRESSION, MEDICAL CONDITION OR GENETIC INFORMATION, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAW, AS SET FORTH IN THE DOCUMENT

RECORDING NO: IN BOOK 2091 PAGE 123 OF DEEDS

AFFECTS: LOT 5 BLOCK 12

5. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS RESERVED IN A DOCUMENT; RESERVED BY: UNION TRUST & REALTY COMPANY, A CORPORATION
PURPOSE: RIGHT TO CONSTRUCT AND PERPETUALLY MAINTAIN A CANAL IN AND ALONG CANAL STREET
RECORDING NO: IN BOOK 2388 PAGE 182 OF DEEDS
AFFECTS: SAID LAND

6. COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING, BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, CITIZENSHIP, IMMIGRATION STATUS, PRIMARY LANGUAGE, ANCESTRY, SOURCE OF INCOME, GENDER, GENDER IDENTITY, GENDER EXPRESSION, MEDICAL CONDITION OR GENETIC INFORMATION, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAWS, AS SET FORTH IN THE DOCUMENT REFERRED TO IN THE NUMBERED ITEM LAST ABOVE SHOWN.

AFFECTS: LOTS 7 TO 12 INCLUSIVE IN BLOCK 12 AND LOTS 7 TO 12 INCLUSIVE IN BLOCK 14.

7. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS CONDEMNED BY AN INSTRUMENT, ENTITLED: FINAL JUDGMENT
COURT: SUPERIOR COURT
CASE NO.: 149,610
IN FAVOR OF: CITY OF VENICE
PURPOSE: STREET PURPOSES
RECORDING NO: IN BOOK 6710 PAGE 261 OFFICIAL RECORDS
AFFECTS: THE NORTHWESTERLY 5 FEET OF PARCELS 2, 3, 6, 7 AND 10

8. A COMMUNITY OIL AND GAS LEASE FOR THE TERM THEREIN PROVIDED, EXECUTED BY THE PARTIES HEREIN NAMED, AND OTHER PARTIES AS OWNERS OF OTHER LANDS DESCRIBED IN SAID LEASE, WITH CERTAIN COVENANTS, CONDITIONS AND PROVISIONS, TOGETHER WITH EASEMENTS, IF ANY, AS SET FORTH THEREIN.

DATED: JUNE 24, 1960
LESSOR: ELIZABETH H. KEMP, A MARRIED WOMAN, AS HER SEPARATE PROPERTY
LESSEE: STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION
RECORDING DATE: MARCH 28, 1961
RECORDING NO: 3921 IN BOOK M734 PAGE 351 OFFICIAL RECORDS

NO INSURANCE IS MADE AS TO THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE, NOR AS TO OTHER MATTERS AFFECTING THE RIGHTS OR INTERESTS OF THE LESSOR OR LESSEE IN SAID LEASE.

SAID LEASE AFFECTS THAT PORTION OF SAID LAND LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF.

9. AN OIL AND GAS LEASE FOR THE TERM THEREIN PROVIDED WITH CERTAIN COVENANTS, CONDITIONS AND PROVISIONS, TOGETHER WITH EASEMENTS, IF ANY, AS SET FORTH THEREIN.

DATED: JULY 1, 1960
LESSOR: PACIFIC ELECTRIC RAILWAY COMPANY, A CORPORATION
LESSEE: STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION
RECORDING DATE: AUGUST 31, 1962
RECORDING NO: 6780 IN BOOK M1096 PAGE 877 OFFICIAL RECORDS

NO INSURANCE IS MADE AS TO THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE, NOR AS TO OTHER MATTERS AFFECTING THE RIGHTS OR INTERESTS OF THE LESSOR OR LESSEE IN SAID LEASE.

SAID LEASE AFFECTS THAT PORTION OF SAID LAND LYING BELOW A

DEPTH OF 500 FEET FROM THE SURFACE THEREOF. MATTERS CONTAINED

IN THAT CERTAIN DOCUMENT

ENTITLED: DECLARATION OF UNITIZATION VENICE BEACH UNIT, VENICE AREA, LOS ANGELES COUNTY, CALIFORNIA
EXECUTED BY: STANDARD OIL COMPANY OF CALIFORNIA
RECORDING DATE: MAY 1, 1967
RECORDING NO: 1778 OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR

FULL PARTICULARS. MATTERS CONTAINED IN THAT

CERTAIN DOCUMENT

ENTITLED: AMENDMENT OF DECLARATION OF UNITIZATION VENICE BEACH UNIT, VENICE AREA, LOS ANGELES COUNTY, CALIFORNIA
EXECUTED BY: STANDARD OIL COMPANY OF CALIFORNIA
RECORDING DATE: JUNE 7, 1967
RECORDING NO: 2492 OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

10. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT: IN FAVOR OF: UNION TRUST AND REALTY COMPANY
PURPOSE: WATER AND GAS PIPES

RECORDING NO: IN BOOK 1786 PAGE 136 OF DEEDS
AFFECTS: SAID LAND

AFFECTS: PARCEL 5

11. COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING, BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, CITIZENSHIP, IMMIGRATION STATUS, PRIMARY LANGUAGE, ANCESTRY, SOURCE OF INCOME, GENDER, GENDER IDENTITY, GENDER EXPRESSION, MEDICAL CONDITION OR GENETIC INFORMATION, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAWS, AS SET FORTH IN THE DOCUMENT REFERRED TO IN THE NUMBERED ITEM LAST ABOVE SHOWN.

AFFECTS: PARCEL 5

12. A COMMUNITY OIL AND GAS LEASE FOR THE TERM THEREIN PROVIDED, EXECUTED BY THE PARTIES HEREIN NAMED, AND OTHER PARTIES AS OWNERS OF OTHER LANDS DESCRIBED IN SAID LEASE, WITH CERTAIN COVENANTS, CONDITIONS AND PROVISIONS, TOGETHER WITH EASEMENTS, IF ANY, AS SET FORTH THEREIN.

DATED: JUNE 24, 1960
LESSOR: BOYLE D. LOCKHARD AND LILLIAN C. PFEFFER
LESSEE: STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION
RECORDING DATE: MARCH 28, 1961
RECORDING NO: 3921 IN BOOK M734 PAGE 351 OFFICIAL RECORDS

NO INSURANCE IS MADE AS TO THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE, NOR AS TO OTHER MATTERS AFFECTING THE RIGHTS OR INTERESTS OF THE LESSOR OR LESSEE IN SAID LEASE.

SAID LEASE AFFECTS THAT PORTION OF SAID LAND LYING BELOW A

DEPTH OF 500 FEET FROM THE SURFACE THEREOF. SAID LEASE

PROVIDES FOR NO RIGHT OF SURFACE ENTRY.

AFFECTS: PARCEL 5

13. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT: GRANTED TO: UNION TRUST & REALTY COMPANY
PURPOSE: PIPE LINES
RECORDING DATE: AUGUST 13, 1904
RECORDING NO: 66 IN BOOK 2087 PAGE 225 OF DEEDS
AFFECTS: LOT 2 OF PARCEL 6

14. COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING, BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, CITIZENSHIP, IMMIGRATION STATUS, PRIMARY LANGUAGE, ANCESTRY, SOURCE OF INCOME, GENDER, GENDER IDENTITY, GENDER EXPRESSION, MEDICAL CONDITION OR GENETIC INFORMATION, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAWS, AS SET FORTH IN THE DOCUMENT REFERRED TO IN THE NUMBERED ITEM LAST ABOVE SHOWN.

AFFECTS: PARCEL 6

15. A COMMUNITY OIL AND GAS LEASE FOR THE TERM THEREIN PROVIDED, EXECUTED BY THE PARTIES HEREIN NAMED, AND OTHER PARTIES AS OWNERS OF OTHER LANDS DESCRIBED IN SAID LEASE, WITH CERTAIN COVENANTS, CONDITIONS AND PROVISIONS, TOGETHER WITH EASEMENTS, IF ANY, AS SET FORTH THEREIN.

DATED: JUNE 24, 1960
LESSOR: JAMES H. CARPENTER AND LORETTA E. CARPENTER
LESSEE: STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION
RECORDING DATE: MARCH 28, 1961
RECORDING NO: 3921 IN BOOK M734 PAGE 351 OFFICIAL RECORDS

NO INSURANCE IS MADE AS TO THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE, NOR AS TO OTHER MATTERS AFFECTING THE RIGHTS OR INTERESTS OF THE LESSOR OR LESSEE IN SAID LEASE.

SAID LEASE AFFECTS THAT PORTION OF SAID LAND LYING BELOW A

DEPTH OF 500 FEET FROM THE SURFACE THEREOF. SAID LEASE

PROVIDES FOR NO RIGHT OF SURFACE ENTRY.

AFFECTS: PARCEL 6

16. AN INSTRUMENT ENTITLED COVENANT AND AGREEMENT REGARDING DRAINAGE EASEMENT

EXECUTED BY: ROBERT K. STORTZ
IN FAVOR OF: CITY OF LOS ANGELES
RECORDING DATE: OCTOBER 8, 1999
RECORDING NO: 99–1918061 OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR

FULL PARTICULARS. AFFECTS: PARCEL 6

17. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS RESERVED IN A DOCUMENT;

RESERVED BY: UNION TRUST AND REALTY COMPANY, A CORPORATION PURPOSE: PIPE LINES
RECORDING DATE: JULY 15, 1907
RECORDING NO: IN BOOK 3123 PAGE 139 OF DEEDS
AFFECTS: PARCEL 8

AND RECORDING DATE: JULY 15, 1907
AND RECORDING NO: IN BOOK 3118 PAGE 193 OF DEEDS

AND RECORDING DATE: JUNE 14, 1906
AND RECORDING NO: IN BOOK 2707 PAGE 100 OF DEEDS

AND RECORDING DATE: FEBRUARY 14, 1905
AND RECORDING NO: IN BOOK 2213 PAGE 235 OF DEEDS

DEEDS AFFECTS: PARCEL 8

18. COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING, BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, CITIZENSHIP, IMMIGRATION STATUS, PRIMARY LANGUAGE, ANCESTRY, SOURCE OF INCOME, GENDER, GENDER IDENTITY, GENDER EXPRESSION, MEDICAL CONDITION OR GENETIC INFORMATION, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAWS, AS SET FORTH IN THE DOCUMENT REFERRED TO IN THE NUMBERED ITEM LAST ABOVE SHOWN.

AFFECTS: PARCEL 8

19. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT: GRANTED TO: SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, A CORPORATION
PURPOSE: GAS PIPE LINES

RECORDING DATE: JULY 29, 1920
RECORDING NO: IN BOOK 7290 PAGE 266 OFFICIAL RECORDS
AFFECTS: THAT PORTION OF LOT 42 IN SAID BLOCK 9

AFFECTS: PARCEL 8

20. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT: GRANTED TO: CITY OF VENICE
PURPOSE: HIGHWAY PURPOSES
RECORDING DATE: MAY 15, 1925
RECORDING NO: IN BOOK 4424 PAGE 8 OFFICIAL RECORDS AFFECTS: PORTION OF SAID LAND

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR

FULL PARTICULARS. AFFECTS: PARCEL 8

21. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT:

PURPOSE: PUBLIC UTILITIES
RECORDING NO: IN BOOK 1624 PAGE 201 OF DEEDS
AFFECTS: PORTION OF SAID LAND

AFFECTS: PARCEL 9

22. PROVISIONS IN A DEED PROHIBITING THE BUYING, SELLING OR HANDLING OF INTOXICATING LIQUORS ON SAID LAND: RECORDING NO.: IN BOOK 1248 PAGE 108 OFFICIAL RECORDS
AFFECTS: LOT 36 OF PARCEL 9

23. PROVISIONS IN A DEED PROHIBITING THE BUYING, SELLING OR HANDLING OF INTOXICATING LIQUORS ON SAID LAND: RECORDING NO.: IN BOOK 1526 PAGE 139 OFFICIAL RECORDS
AFFECTS: PARCEL 9

24. A COMMUNITY OIL AND GAS LEASE FOR THE TERM THEREIN PROVIDED, EXECUTED BY THE PARTIES HEREIN NAMED, AND OTHER PARTIES AS OWNERS OF OTHER LANDS DESCRIBED IN SAID LEASE, WITH CERTAIN COVENANTS, CONDITIONS AND PROVISIONS, TOGETHER WITH EASEMENTS, IF ANY, AS SET FORTH THEREIN.

LESSOR: HARRY V. BENSON
LESSEE: STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION
RECORDING DATE: MARCH 28, 1961
RECORDING NO: 3921 IN BOOK M734 PAGE 351 OFFICIAL RECORDS

NO INSURANCE IS MADE AS TO THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE, NOR AS TO OTHER MATTERS AFFECTING THE RIGHTS OR INTERESTS OF THE LESSOR OR LESSEE IN SAID LEASE.

SAID LEASE AFFECTS THAT PORTION OF SAID LAND LYING BELOW A

DEPTH OF 500 FEET FROM THE SURFACE THEREOF. SAID LEASE

PROVIDES FOR NO RIGHT OF SURFACE ENTRY.

AFFECTS: PARCEL 9

25. AN INSTRUMENT ENTITLED COVENANT AND AGREEMENT REGARDING MAINTENANCE OF A BUILDING PURSUANT TO ACTION OF BOARD OF BUILDING AND SAFETY COMMISSIONERS

RECORDING DATE: FEBRUARY 17, 1970
RECORDING NO: 2482 OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR

FULL PARTICULARS. AFFECTS: PARCEL 9

26. MATTERS CONTAINED IN THAT CERTAIN DOCUMENT

ENTITLED: WAIVER OF DAMAGES, INDEMNIFICATION AGREEMENT AND RIGHT OF INGRESS AND EGRESS – COVENANT TO RUN WITH THE LAND
EXECUTED BY: A. P. KATZMAN AND THE CITY OF LOS ANGELES RECORDING DATE: SEPTEMBER 15, 1970
RECORDING NO: 3451 OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR

FULL PARTICULARS. AFFECTS: PARCEL 9

27. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT:

IN FAVOR OF: UNION TRUST AND REALTY COMPANY
PURPOSE: PIPE LINES
RECORDING NO: IN BOOK 1742 PAGE 3 OF DEEDS
AFFECTS: SAID LAND

AFFECTS: LOTS 39 AND 40 OF PARCEL 10

28. COVENANTS, CONDITIONS AND RESTRICTIONS BUT OMITTING ANY COVENANTS OR RESTRICTIONS, IF ANY, INCLUDING, BUT NOT LIMITED TO THOSE BASED UPON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, HANDICAP, NATIONAL ORIGIN, CITIZENSHIP, IMMIGRATION STATUS, PRIMARY LANGUAGE, ANCESTRY, SOURCE OF INCOME, GENDER, GENDER IDENTITY, GENDER EXPRESSION, MEDICAL CONDITION OR GENETIC INFORMATION, AS SET FORTH IN APPLICABLE STATE OR FEDERAL LAWS, EXCEPT TO THE EXTENT THAT SAID COVENANT OR RESTRICTION IS PERMITTED BY APPLICABLE LAWS, AS SET FORTH IN THE DOCUMENT REFERRED TO IN THE NUMBERED ITEM LAST ABOVE SHOWN.

AFFECTS: PARCEL 10

29. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT: GRANTED TO: UNITED ELECTRIC GAS AND POWER COMPANY
PURPOSE: PIPE LINES, CONDUITS AND POLE LINES
RECORDING NO: IN BOOK 1624 PAGE 201 OF DEEDS
AFFECTS: LOTS 40 AND 41 AND THE NORTHERLY 110 FEET OF LOT 42 OF PARCEL 10

30. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO, AS GRANTED IN A DOCUMENT: GRANTED TO: CITY OF LOS ANGELES
PURPOSE: PUBLIC STREET, TO BE KNOWN AS NORTH VENICE BOULEVARD RECORDING NO: IN BOOK 7089 PAGE 16 OFFICIAL RECORDS
AFFECTS: THE NORTHWESTERLY 5 FEET OF LOT 42 OF PARCEL 10

31. A COMMUNITY OIL AND GAS LEASE FOR THE TERM THEREIN PROVIDED, EXECUTED BY THE PARTIES HEREIN NAMED, AND OTHER PARTIES AS OWNERS OF OTHER LANDS DESCRIBED IN SAID LEASE, WITH CERTAIN COVENANTS, CONDITIONS AND PROVISIONS, TOGETHER WITH EASEMENTS, IF ANY, AS SET FORTH THEREIN.

DATED: JUNE 24, 1960
LESSOR: STUART L. GHENT AND LOUISE S. GHENT, HIS WIFE
LESSEE: STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION
RECORDING DATE: MARCH 28, 1961
RECORDING NO: 3921 IN BOOK M734 PAGE 351 OFFICIAL RECORDS

NO INSURANCE IS MADE AS TO THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE, NOR AS TO OTHER MATTERS AFFECTING THE RIGHTS OR INTERESTS OF THE LESSOR OR LESSEE IN SAID LEASE.

SAID LEASE AFFECTS THAT PORTION OF SAID LAND LYING BELOW A DEPTH OF 500 FEET FROM THE SURFACE THEREOF.

SAID LEASE PROVIDES FOR NO RIGHT OF SURFACE

ENTRY. AFFECTS: LOTS 38 AND 39 OF PARCEL 10

32. A COMMUNITY OIL AND GAS LEASE FOR THE TERM THEREIN PROVIDED, EXECUTED BY THE PARTIES HEREIN NAMED, AND OTHER PARTIES AS OWNERS OF OTHER LANDS DESCRIBED IN SAID LEASE, WITH CERTAIN COVENANTS, CONDITIONS AND PROVISIONS, TOGETHER WITH EASEMENTS, IF ANY, AS SET FORTH THEREIN.

DATED: JUNE 24, 1960
LESSOR: ROBERT M. BABCOCK, A SINGLE MAN
LESSEE: STANDARD OIL COMPANY OF CALIFORNIA, A CORPORATION
RECORDING DATE: APRIL 15, 1964
RECORDING NO: 5455 IN BOOK M1499 PAGE 943 OFFICIAL RECORDS

NO INSURANCE IS MADE AS TO THE PRESENT OWNERSHIP OF THE LEASEHOLD CREATED BY SAID LEASE, NOR AS TO OTHER MATTERS AFFECTING THE RIGHTS OR INTERESTS OF THE LESSOR OR LESSEE IN SAID LEASE.

SAID LEASE AFFECTS THAT PORTION OF SAID LAND LYING BELOW A

DEPTH OF 500 FEET FROM THE SURFACE THEREOF. SAID LEASE

PROVIDES FOR NO RIGHT OF SURFACE ENTRY.

AFFECTS: LOTS 40 AND 41 OF PARCEL 10

33. COVENANT AND AGREEMENT WHEREIN THE OWNERS AGREE TO HOLD SAID LAND AS ONE PARCEL AND NOT TO SELL ANY PORTION THEREOF SEPARATELY. SAID COVENANT IS EXPRESSED TO RUN WITH THE LAND AND BE BINDING UPON FUTURE OWNERS.

RECORDING DATE: DECEMBER 20, 1971
RECORDING NO.: 2925 IN BOOK M3927 PAGE 408 OFFICIAL

RECORDS REFERENCE IS HEREBY MADE TO SAID DOCUMENT

FOR FULL PARTICULARS.

AFFECTS: PARCEL 10

34. A NOTICE OF SUBSTANDARD PROPERTY AS DISCLOSED BY A DOCUMENT
RECORDING DATE: OCTOBER 8, 1964
RECORDING NO: 3690 IN BOOK M1641 PAGE 423 OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

35. EASEMENT(S) FOR THE PURPOSE(S) SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS RESERVED IN A DOCUMENT; RESERVED BY: THE CITY OF LOS ANGELES
PURPOSE: ELECTRICAL FACILITIES
RECORDING DATE: MARCH 22, 1985
RECORDING NO: 85–316811 OFFICIAL RECORDS
AFFECTS: PARCEL 4

36. ANY EASEMENTS OR LESSER RIGHTS IN, TO, OVER THAT WERE NOT AFFECTED BY THE PROCEEDINGS OF THE VACATING OF PORTION OF ALBERTA AVENUE, AS THE SAME WAS VACATED BY AN UNRECORDED ORDINANCE BY THE CITY OF LOS ANGELES FOR THAT PORTION OF ALBERTA AVENUE ON SAID PARCEL 1.

37. PLEASE BE ADVISED THAT OUR SEARCH DID NOT DISCLOSE ANY OPEN DEEDS OF TRUST OF RECORD. IF YOU SHOULD HAVE KNOWLEDGE OF ANY OUTSTANDING OBLIGATION, PLEASE CONTACT THE TITLE DEPARTMENT IMMEDIATELY FOR FURTHER REVIEW PRIOR TO CLOSING.

38. ANY RIGHTS OF THE PARTIES IN POSSESSION OF A PORTION OF, OR ALL OF, SAID LAND, WHICH RIGHTS ARE NOT DISCLOSED BY THE PUBLIC RECORDS.

THE COMPANY WILL REQUIRE, FOR REVIEW, A FULL AND COMPLETE COPY OF ANY UNRECORDED AGREEMENT, CONTRACT, LICENSE AND/OR LEASE, TOGETHER WITH ALL SUPPLEMENTS, ASSIGNMENTS AND AMENDMENTS THERETO, BEFORE ISSUING ANY POLICY OF TITLE INSURANCE WITHOUT EXCEPTING THIS ITEM FROM COVERAGE.

THE COMPANY RESERVES THE RIGHT TO EXCEPT ADDITIONAL ITEMS AND/OR MAKE ADDITIONAL REQUIREMENTS AFTER REVIEWING SAID DOCUMENTS.

39. ANY EASEMENTS NOT DISCLOSED BY THE PUBLIC RECORDS AS TO MATTERS AFFECTING TITLE TO REAL PROPERTY, WHETHER OR NOT SAID EASEMENTS ARE VISIBLE AND APPARENT.

40. DISCREPANCIES, CONFLICTS IN BOUNDARY LINES, SHORTAGE IN AREA, ENCROACHMENTS, OR ANY OTHER MATTERS WHICH A CORRECT SURVEY WOULD DISCLOSE AND WHICH ARE NOT SHOWN BY THE PUBLIC RECORDS.

41. MATTERS WHICH MAY BE DISCLOSED BY AN INSPECTION AND/OR BY A CORRECT ALTA/NSPS LAND TITLE SURVEY OF SAID LAND THAT IS SATISFACTORY TO THE COMPANY, AND/OR BY INQUIRY OF THE PARTIES IN POSSESSION THEREOF.

42. ANY RIGHTS, INTERESTS, OR CLAIMS WHICH MAY EXIST OR ARISE BY REASON OF THE FOLLOWING MATTERS DISCLOSED BY SURVEY, ALTA SURVEY BY: MOLLENHAUER GROUP
DATED: NOT DATED / NOT SIGNED JOB NO.: LA21037

OTHER ENTITLEMENT REQUESTS

1) PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 65356, CHARTER SECTION 555 AND LOS ANGELES MUNICIPAL CODE (LAMC) SECTIONS 11.5.6. AND 11.5.11., GENERAL PLAN AMENDMENTS TO THE VENICE COMMUNITY PLAN LAND USE DESIGNATION FROM OPEN SPACE TO NEIGHBORHOOD COMMERCIAL AND AMENDMENTS TO THE VENICE COMMUNITY PLAN TEXT TO DELETE REFERENCE IN POLICY 5–1.1 AND THE STATEMENT ON PAGE III–15 REGARDING OPEN SPACE IN THE VENICE BOULEVARD MEDIAN.
2) PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTIONS 11.5.11., 11.5.11.(E), 12.32.F., AND 12.32.Q., A VESTING ZONE CHANGE AND HEIGHT DISTRICT CHANGE FROM OS–1XL–O TO C2–1L–O USING THE FOLLOWING DEVELOPER INCENTIVES:
   - REDUCED RESIDENTIAL PARKING PURSUANT TO AB744;
   - PERMIT THE REQUIRED RESIDENTIAL PARKING FOR THE BUILDING ON THE EAST SITE TO BE LOCATED IN THE BUILDING ON THE WEST SITE; AND,
   - UTILIZE THE SIDE AND REAR YARD REQUIREMENTS FOR THE RAS3 ZONE.
3) PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTIONS 65453 AND 65356 AND LAMC SECTION 11.5.7.G., SPECIFIC PLAN AMENDMENTS TO THE VENICE COASTAL SPECIFIC PLAN TO:
   - CHANGE THE EXISTING ZONING MAP (EXHIBIT 7B) FROM OS–1XL TO C2–1L TO BE CONSISTENT WITH THE PROPOSED ZONE;
   - AMEND SECTION 10.F.4.A TO DECREASE THE FRONT YARD SETBACK FROM FIVE FEET TO ZERO FEET ONLY ON THE PORTION OF THE PROJECT COMPRISING THE CANTILEVERED ARCHITECTURAL CAMPANILE, WHICH CONTAINS A COMMUNITY SPACE, WHICH WOULD BE LOCATED AT THE CORNER OF NORTH VENICE BOULEVARD AND PACIFIC AVENUE AND OCCURRING AT A HEIGHT OF 35 FEET TO 59 FEET;
   - AMEND SECTION 10.E.2 TO INCREASE THE MAXIMUM HEIGHT FROM 22 FEET TO 35 FEET FOR THE PORTION OF THE PROJECT WITHIN 10 FEET FROM THE PROPERTY LINE THAT FACES THE CANAL AND TO NOT REQUIRE AN ASCENDING HEIGHT EQUAL TO ONE HALF THE HORIZONTAL DEPTH ABOVE 22 FEET IN HEIGHT TO A MAXIMUM HEIGHT OF 35 FEET;
   - AMEND SECTION 10.F.3.A TO NOT REQUIRE A 35 FOOT HIGH VARIED ROOFLINE, WHICH ROOFLINE VARIES IN ELEVATION FROM ZERO FEET TO 35 FEET, AND TO NOT REQUIRE THAT THE ROOF BE SET BACK FROM THE REQUIRED FRONT YARD AT LEAST ONE FOOT IN DEPTH FOR EVERY FOOT IN HEIGHT ABOVE 30 FEET;
   - AMEND SECTION 9.C.1.A TO INCREASE THE MAXIMUM ALLOWABLE HEIGHT OF ROOF ACCESS STRUCTURES FROM 10 FEET TO 15 FEET ABOVE THE FLAT ROOF HEIGHT TO ACCOMMODATE THE PROJECT'S ELEVATOR; AND,
   - AMEND SECTION 9.C.1.D TO INCREASE THE ALLOWABLE AREA WITHIN THE OUTSIDE WALLS OF THE ROOF ACCESS STRUCTURE FROM 100 FEET TO 300 FEET FOR THE REQUIRED STAIR AND ELEVATOR.
   - AMEND SECTION 9.C.1.F TO DECREASE THE HORIZONTAL SET BACK OF THE ROOF ACCESS STRUCTURES FROM 60 HORIZONTAL FEET TO NO LESS THAN 35 HORIZONTAL FEET FROM THE MEAN HIGH TIDE LINE OF THE GRAND CANAL.
4) PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTION 11.5.6. AND VENICE COASTAL ZONE SPECIFIC PLAN, SECTION 8.B., A PROJECT PERMIT COMPLIANCE IN ACCORDANCE WITH THE VENICE COASTAL ZONE SPECIFIC PLAN.
5) PURSUANT TO PUBLIC RESOURCES CODE, DIVISION 20, SECTION 30514 (THE CALIFORNIA COASTAL ACT), VENICE LOCAL COASTAL PROGRAM LAND USE PLAN AMENDMENTS (EXHIBIT 10B) TO CHANGE THE LAND USE CATEGORY FROM OPEN SPACE TO NEIGHBORHOOD; AND TO PERMIT THE CONSOLIDATION OF LOTS IN THE NORTH VENICE AND VENICE CANALS SUBAREAS (POLICY 1.A.1.B.).
6) PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTION 12.20.2., A COASTAL DEVELOPMENT PERMIT TO DEMONSTRATE CONSISTENCY WITH THE VENICE LOCAL COASTAL PROGRAM LAND USE PLAN.
7) PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTION 12.37.I.3., A WAIVER OF DEDICATION AND IMPROVEMENTS ON NORTH AND SOUTH VENICE BOULEVARD, PACIFIC AVENUE AND DELL AVENUE TO MAINTAIN CONSISTENCY OF COMMUNITY CHARACTER.
8) PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTION 16.05., SITE PLAN REVIEW FOR A DEVELOPMENT PROJECT CONSISTING OF 50 OR MORE OF NET NEW RESIDENTIAL DWELLING UNITS.
9) PURSUANT TO LOS ANGELES MUNICIPAL CODE SECTION 17.03 AND 17.15., A DIVISION OF LAND (VESTING TENTATIVE TRACT MAP NO. 82288) FOR THE MERGER AND RESUBDIVISION OF THE PROPERTY, MERGING ALL OF THE EXISTING LOTS AND CREATING AN AIRSPACE SUBDIVISION, AS WELL AS APPROVAL OF A HAUL ROUTE.
10) OTHER DISCRETIONARY AND MINISTERIAL PERMITS AND APPROVALS THAT WILL OR MAY BE REQUIRED, INCLUDING, BUT NOT LIMITED TO, TEMPORARY STREET CLOSURE PERMITS, GRADING PERMITS, EXCAVATION PERMITS, FOUNDATION PERMITS, BUILDING PERMITS, AND SIGN PERMITS.

PROJECT #	1800396
DATE PREPARED	10/31/2018
DRAWN BY	BI
CHECKED BY	CJ

REESE DAVIDSON COMMUNITY

PREPARED FOR:
HOLLYWOOD COMMUNITY HOUSING
5020 SANTA MONICA BLVD
LOS ANGELES, CA 90029

ATTN: ELENOR ATKINS

kpff
700 South Flower St., Suite 2100
Los Angeles, CA 90017
O: 213.418.0201
F: 213.266.5294
www.kpff.com

VESTING TENTATIVE TRACT MAP No. 82288

FOR CONDOMINIUM, MERGER AND SUBDIVISION PURPOSES

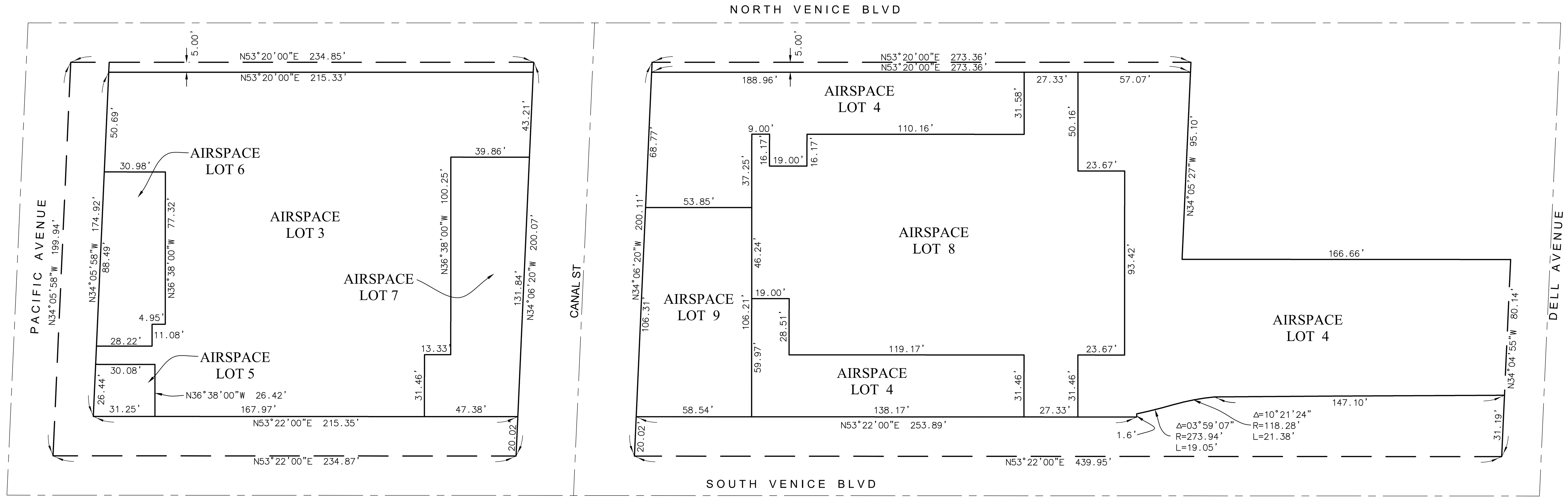
AIRSPACE LOT CONFIGURATIONS

ABBREVIATION LEGEND

L.E. = LOWER ELEVATION
U.E = UPPER ELEVATION

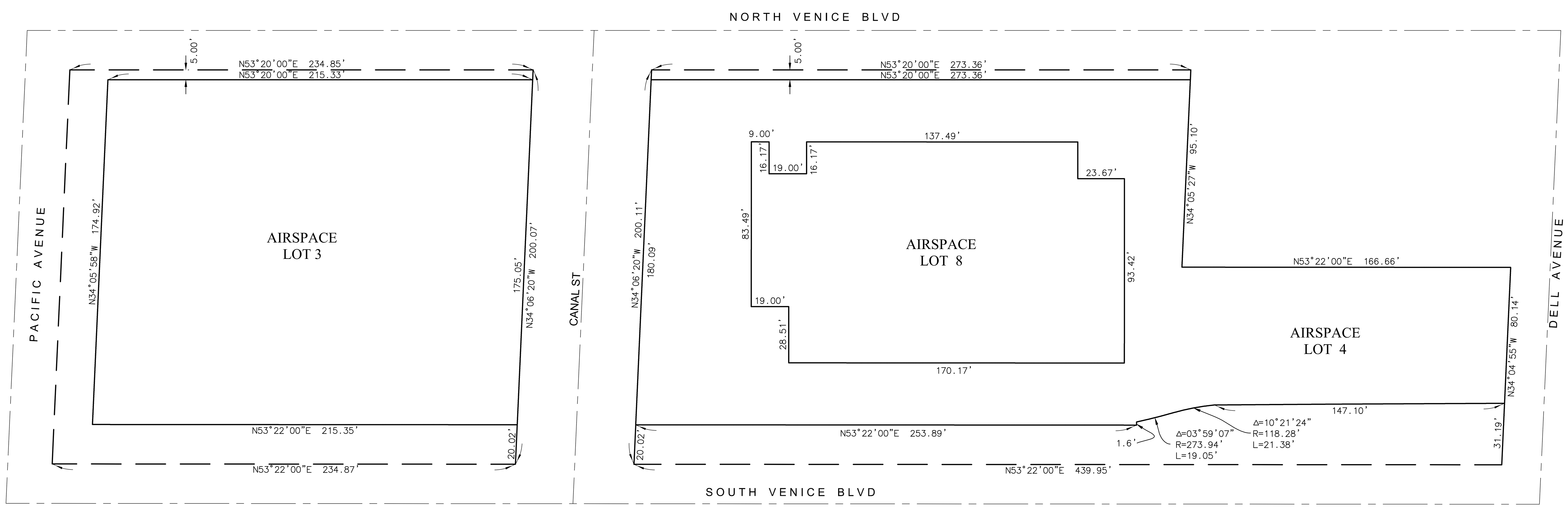
LINE TYPES LEGNED

CENTERLINE
AIRSPACE LOT LINE
EXISTING PROPERTY LINE



LEVELS 1 - 2

L.E. = 0.00', U.E. = 15'



LEVELS 2 - TOP OF ROOF

L.E. = 15', U.E. = NO LIMIT'

PROJECT #	1800396
DATE PREPARED	10/31/2018
DRAWN BY	BI
CHECKED BY	CJ

REESE DAVIDSON COMMUNITY

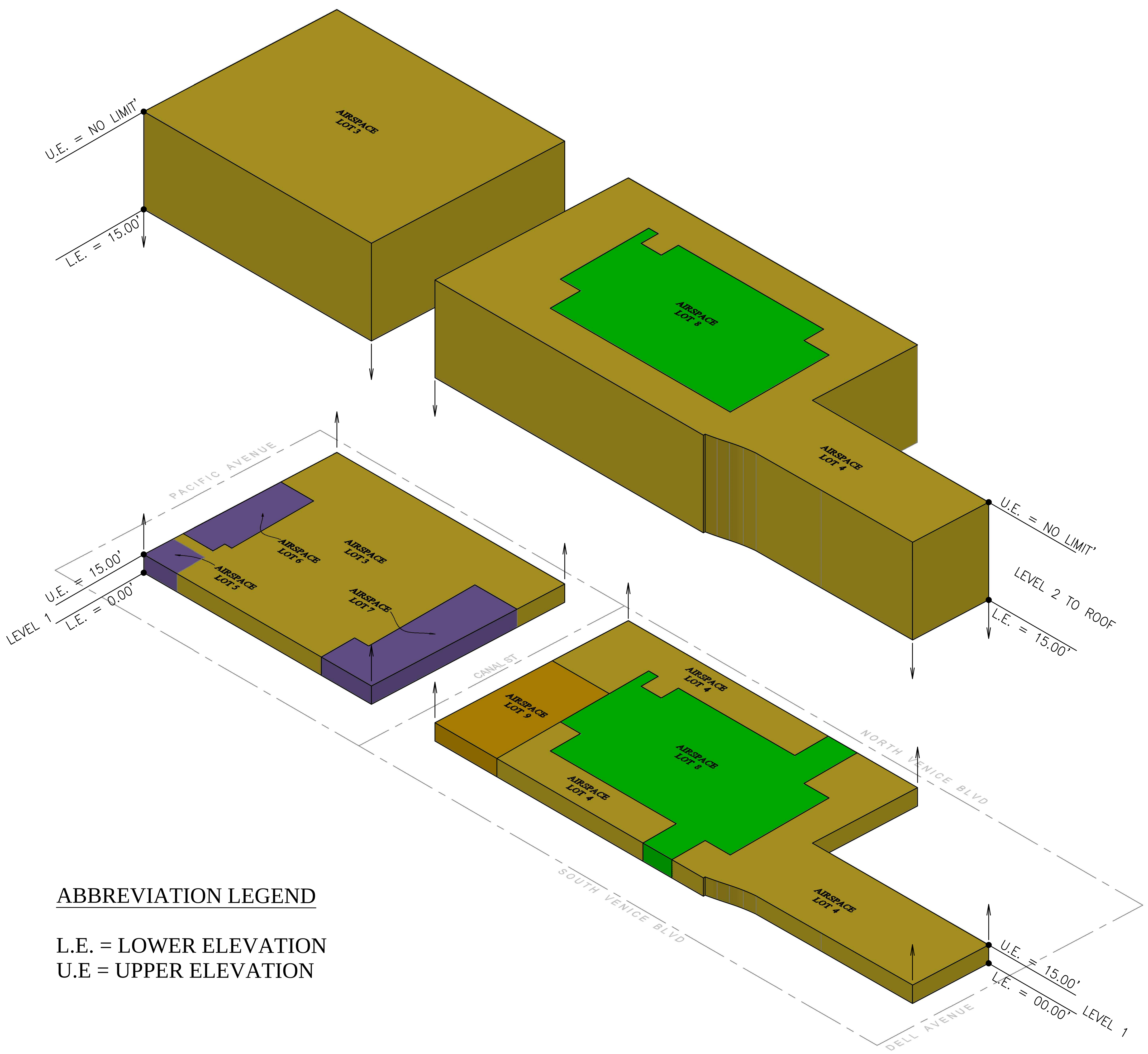
PREPARED FOR:
HOLLYWOOD COMMUNITY HOUSING
5020 SANTA MONICA BLVD
LOS ANGELES, CA 90029
ATTN: ELENOR ATKINS

kpff
700 South Flower St., Suite 2100
Los Angeles, CA 90017
O: 213.418.0201
F: 213.266.5294
www.kpff.com

VESTING TENTATIVE TRACT MAP NO. 82288

FOR MERGER, SUBDIVISION AND CONDOMINIUM PURPOSES

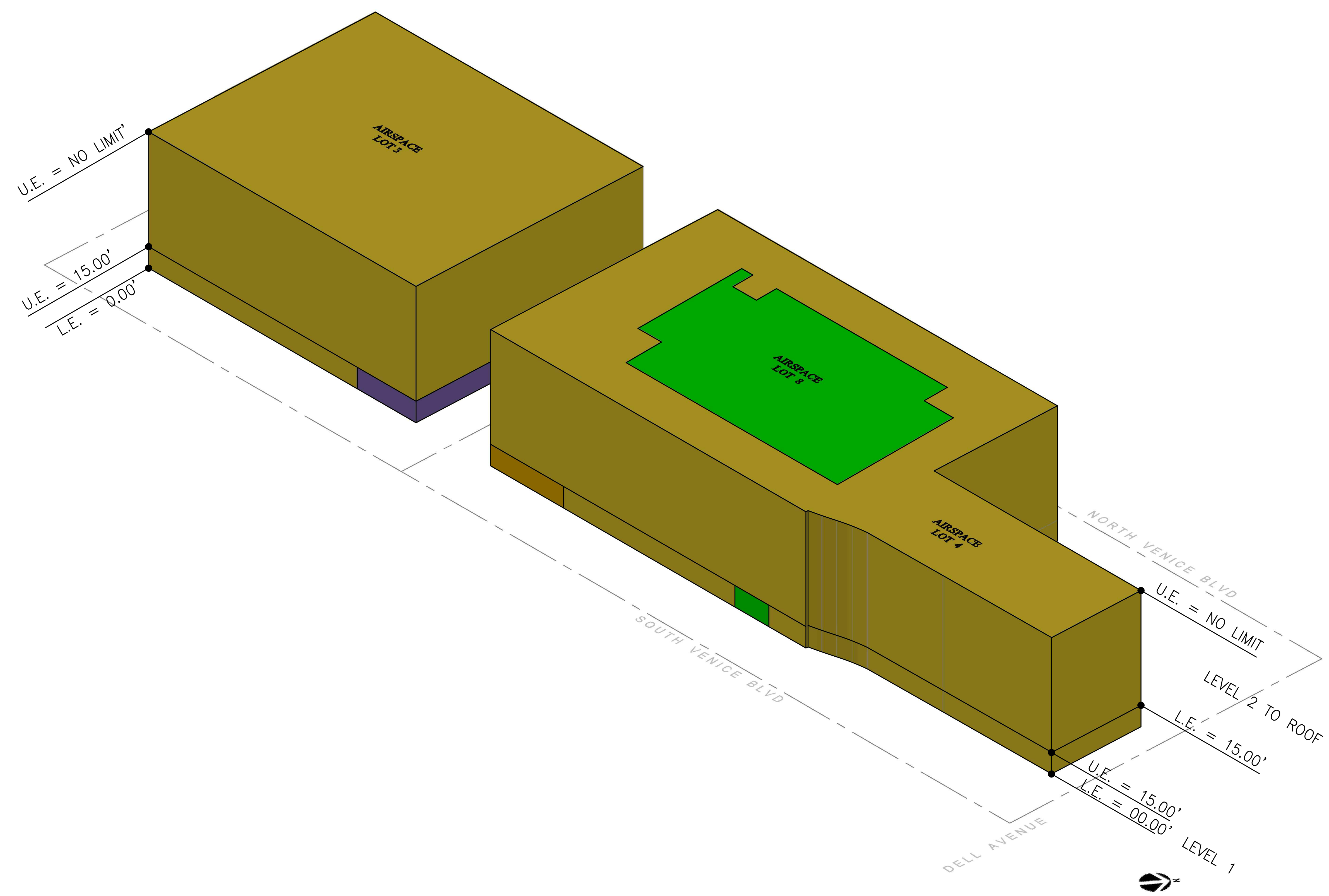
AIRSPACE LOT ISOMETRIC



ABBREVIATION LEGEND

L.E. = LOWER ELEVATION
U.E = UPPER ELEVATION

FLOOR VIEWS



OVERALL VIEW

PROJECT #	1800396
DATE PREPARED	10/31/2018
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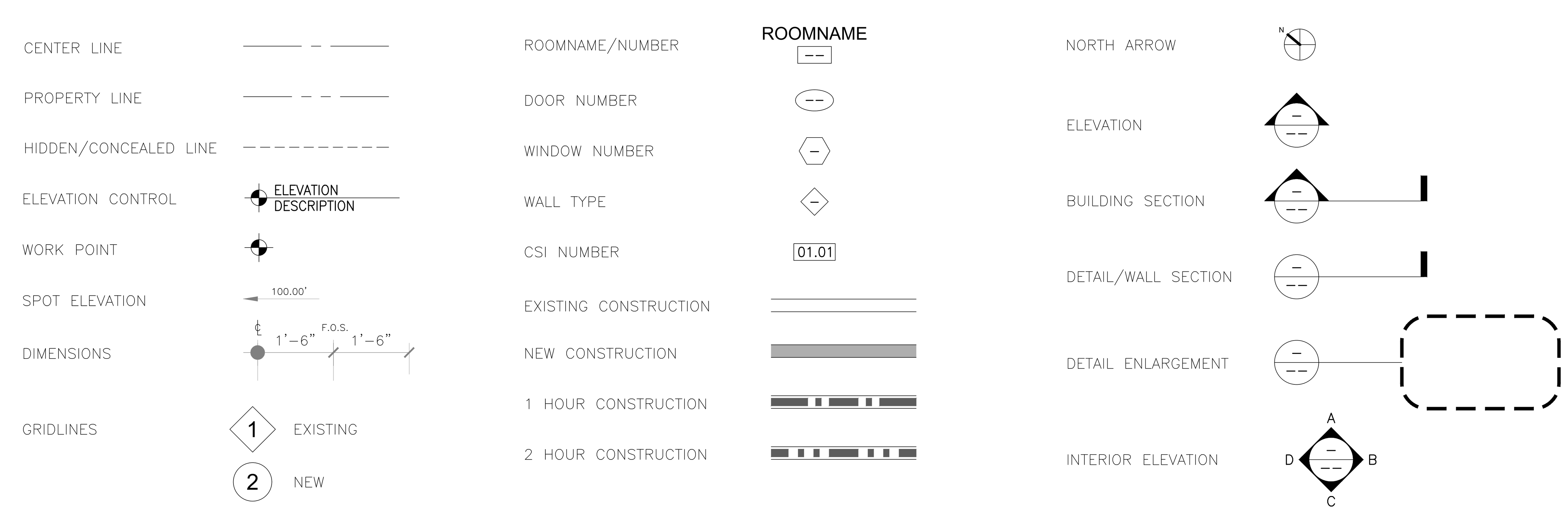
Attachment D

Project Site Plan

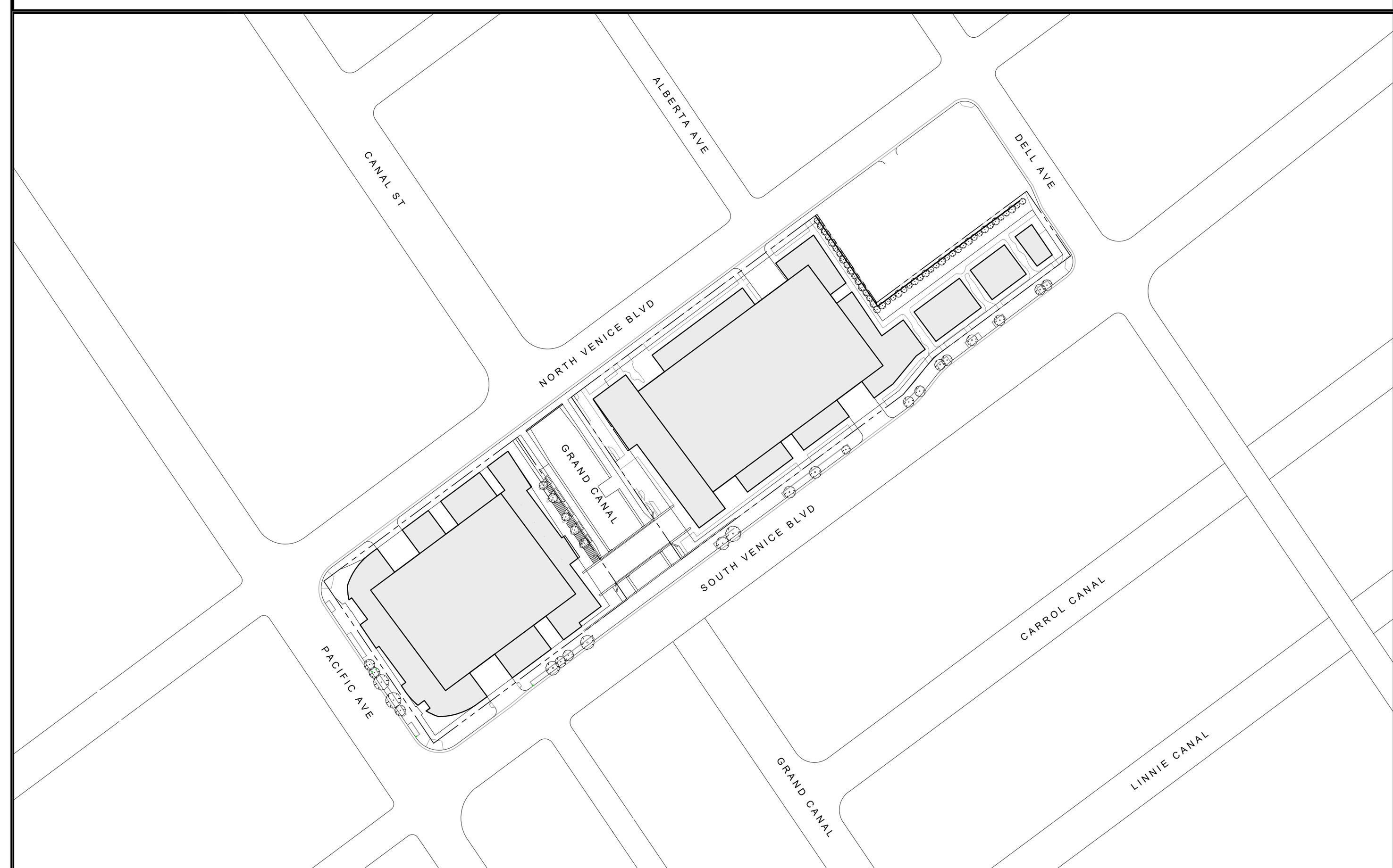
VICINITY MAP

SCALE: 1" = 1,000'

DRAWING SYMBOLS



CONTEXT MAP



SCALE: 1/128" = 1'

ABBREVIATIONS

@ AT
ABV. ABOVE
A.C. ASPHALTIC CONCRETE
A.D. AREA DRAIN
ADJ. ADJACENT / ADJUST
ALUM. ALUMINUM
ALLOW. ALLOWABLE
ALT. ALTERNATE
ANOD. ANODIZED
APPROX. APPROXIMATE
ARCH. ARCHITECTURAL
ARCHT. ARCHITECT
ASSY. ASSEMBLY

BEL. BELOW
BD. BOARD
BIT. BITUMINOUS
BLDG. BUILDING
BLK. BLOCK
BLKG. BLOCKING
BM. BEAM
BOT. BOTTOM
B.O.C. BOTTOM OF COLUMN
B.S. BOTH SIDES
BET. BETWEEN
B/T BOTTOM OF TRUSS

CEM. CEMENT
C.J. CEILING JOIST
CLG. CEILING
CLR. CLEAR
C.M.U. CONCRETE MASONRY UNIT
CNTRSK. COUNTERSUNK
COL. COLUMN
CONC. CONCRETE
CONN. CONNECTION
CONST. CONSTRUCTION

CONT. CONTINUOUS
COOR. COORDINATE
CORR. CORRIDOR
C/P CEMENT PLASTER

DBL. DOUBLE
DEMO. DEMOLISH
DET. DETAIL
DIA. DIAMETER
DIM. DIMENSION
DN. DOWN
DO. DITTO
DR. DRIVE
DWG. DRAWING
D.W. DRYWALL
(D) DEMOLISH

E. EAST
E.F. EACH FACE
E.J. EXPANSION JOINT
EA. EACH
EA.W. EACH WAY
EL. / ELEV. ELEVATION
ELECT. ELECTRICAL
EQ. EQUAL
EQUIP. EQUIPMENT
EXH. EXHAUST
(E) / EXIST. EXISTING
EXP. EXPANSION
EXT. EXTERIOR

F.D. FLOOR DRAIN
FDN. FOUNDATION
F.F. FINISH FLOOR
F.H.W.S. FLAT HEAD WOOD SCREW
FIN. FINISH
FIXT. FIXTURE

F.L. FLOW LINE
FLG. FLANGE
FLR. FLOOR
F.O.B. FACE OF BLOCK
F.O.F. FACE OF FINISH
F.O.S. FACE OF STUD
FOUNT. FOUNTAIN
F.O.W. FACE OF WALL
FRMG. FRAMING
F.S. FAR SIDE
FTG. FOOTING
FURRG. FURRING

GA. GUAGE
GALV. GALVINIZED
G.I. GALVINIZED IRON
GL. GLASS
G.L.B. GLUE LAMINATED BEAM
G.S.M. GALVINIZED SHEET METAL
GRD. GRADE
GYP.BD. GYPSUM BOARD

H.B. HOSE BIB
HD. HEAD
HDR. HEADER
H.M. HOLLOW METAL
HORIZ. HORIZONTAL
H.P. HIGH POINT
HR. HOUR
H.R. HAND RAIL

I.D. INSIDE DIAMETER
INDIC. INDICATOR
INSUL. INSULATION
INT. INTERIOR

JST. JOIST
JNT. JOINT

LAM. LAMINATED
LG. LONG
LT.WT. LIGHT WEIGHT

M. MEN
MAX. MAXIMUM
M.B. MACHINE BOLT
MBR. MEMBRANE
MECH. MECHANICAL
MEMB. MEMBRANE
MEZZ. MEZZANINE
MFR. MANUFACTURER
MIN. MINIMUM
MTD. MOUNTED
MTL. METAL

N. NORTH
N.I.C. NOT IN CONTRACT
NO. NUMBER
N.T.S. NOT TO SCALE
(N) NEW

O. OVER
O.A. OUTSIDE AIR
O.C. ON CENTER
O.D. OUTSIDE DIAMETER / OVERFLOW DRAIN
OFF. OFFICE
O.F.S. OUTSIDE FACE OF STUD
O.H. OVERHEAD / OVERHANG
OH. OPPOSITE HAND
OPP. OPPOSITE
OPNG. OPENING

PERF. PERFORATED
PERIM. PERIMETER
PL. PLATE
PLYWD. PLYWOOD
P.L. PROPERTY LINE

PLAST. PLASTER / PLASTIC
PNL. PANEL
P.O.C. POINT OF CONNECTION
P.P. PRE-PAINTED
P.T. PRESSURE TREATED
PT. POINT
PUB. PUBLIC

r RADIUS
R RISER
R.B. RIDGE BEAM
RD. ROAD
RECEP. RECEPTACLE / RECEPTION
R.D. ROOF DRAIN
REF. REFERENCE
REG. REGULAR
REINF. REINFORCED
REQ'D. REQUIRED
RF. ROOF
R.A. RETURN AIR
R.A.R. RETURN AIR REGISTER
RM. ROOM
ROOFG. ROOFING
R.R. ROOF RAFTER

S. SOUTH
S.A. SUPPLY AIR
S.A.R. SUPPLY AIR REGISTER
SCHED. SCHEDULE
SECT. SECTION

SHT. SHEET
SHTHG. SHEATHING
SIM. SIMILAR
SKYLT. SKYLIGHT
SLC. SOLID CORE
SQ. SQUARE
SPRINK. SPRINKLER
S/P SHEAR PANEL

S.S. STAINLESS STEEL
S.S.D. SEE STRUCTURAL DRAWINGS
STAG. STAGGERED
STD. STANDARD
STL. STEEL
STR. STRAIGHT
STRUCT. STRUCTURAL
SUPPT. SUPPORT
SYM. SYMMETRICAL

T. TREAD
T & B TOP AND BOTTOM
T.D. TOP OF DRAIN
TEL. TELEPHONE
TEMP. TEMPERED / TEMPORARY
THK. THICK
THRD. THREADED
T.O.B. TOP OF BLOCK
T.O.C. TOP OF CURB
T.O.P. TOP OF PARAPET
T.O.R. TOP OF ROOF
T.O.S. TOP OF SHEATHING / TOP OF STEEL
T.O.W. TOP OF WINDOW / TOP OF WALL

U.N.O. UNLESS OTHERWISE NOTED

VERT. VERTICAL
V.C.P. VITRIFIED CLAY PIPE
V.I.F. VERIFY IN FIELD
V.T.R. VENT THROUGHT ROOF

W. WEST / WOMEN
WD. WOOD
WIND. WINDOW
W/ WITH
W.F. WIDE FLANGE
W.O. WITHOUT
W.P. WORKING POINT

W/P WATER PROOF / ING
W.R. WATER RESISTENT
W.S. WALL SECTION
W.W.F. WELDED WIRE FABRIC
& AND
# NUMBER / POUND
CL CENTER LINE

SHEET INDEX

■ NEW DRAWING
◘ RE-ISSUED DRAWING
○ DELETED DRAWING

DRAWING SUBMITTAL / REVISION

DWG. NO.	TITLE	1 ENTITLEMENT DRAWINGS 12/12/2018	2 ENTITLEMENT DRAWINGS REV. 2 01/07/2020
General			
G0	Cover & Sheet Index	■	◘
G0.01	Project Information	■	◘
G0.10	3D Views	■	◘
Survey			
SV1.10	Survey	■	◘
SV1.11	Survey	■	◘
Architectural			
A1.10	Existing Plot Plan	■	◘
A1.11	Plot Plan	■	◘
A2.10	Floor Plans - West	■	◘
A2.11	Floor Plans - West	■	◘
A2.12	Roof Plan - West	■	◘
A2.20	Floor Plans - East	■	◘
A2.21	Floor Plans - East	■	◘
A2.22	Floor Plans - East	■	◘
A2.23	Roof Plan - East	■	◘
A3.10	Elevations - West	■	◘
A3.11	Elevations - East	■	◘
A3.20	Sections - West	■	◘
A3.21	Sections - East	■	◘
Landscape			
L1.10	Landscape Plan - West	■	◘
L1.11	Landscape Plan - East	■	◘

ISSUE DATE

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NOT FOR CONSTRUCTION

PRINT RECORD

DATE	DESCRIPTION	REV	DATE	DESCRIPTION	REV
12/12/18	ENTITLEMENT DRAWINGS	1			
01/07/20	ENTITLEMENT DRAWINGS	2			

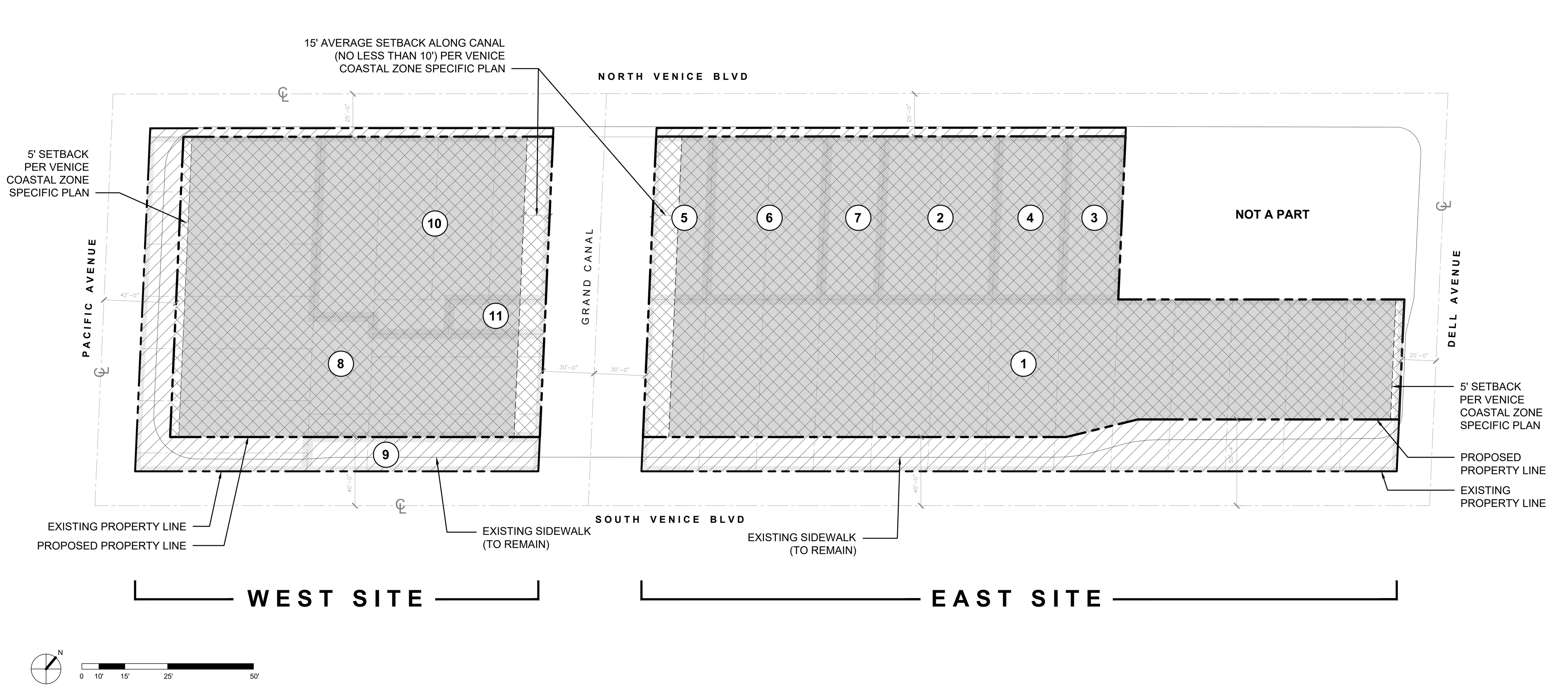
PROJECT TITLE
REESE DAVIDSON COMMUNITY

SHEET TITLE
COVER & SHEET INDEX

SHEET NUMBER
G0

DATE: **01/07/20** REVISION: **2**

LOT AREA DIAGRAM



PARCEL AREA

PARCEL	APN	AREA (SQ.FT.)
Parcel 1	4238-024-907	43,996.0
Parcel 2	4238-024-905	6,332.7
Parcel 3	4238-024-906	3,166.4
Parcel 4	4238-024-907	3,800.0
Parcel 5	4238-024-908	3,166.4
Parcel 6	4238-024-903	6,332.7
Parcel 7	4238-024-910	3,166.4
Parcel 8	4238-024-900	27,839.5
Parcel 9	4238-024-911	2,700.0
Parcel 10	4238-024-902	14,054.1
Parcel 11	4238-024-909	1,120.0
Total		115,674.2

Source: County of Los Angeles, Office of the Assessor

Gross Lot Area
(Existing property line)

Net Lot Area
(Gross Lot Area excluding dedications)

Buildable Area
(Net Lot Area excluding setbacks required by Venice Coastal Zone Specific Plan)

PROJECT DATA

Project Name: Reese Davidson Community

Community Plan Area: Venice

Area Planning Commission: West Lost Angeles

Neighborhood Council: Venice

Council District: CD 11 - Mike Bonin

LADBS District Office: West Los Angeles

500-Foot School Zone: No

General Plan Land Use: Current: Open Space
Proposed: Neighborhood Commercial

Zoning: Current: OS-1XL
Proposed: C2-1L

Specific Plan Area: Venice Coastal Zone
Los Angeles Coastal Transportation Corridor

Zoning Information (ZI): ZI-2452 Transit Priority Area in the City of Los Angeles
ZI-2471 Coastal Zone
ZI-2406 Director's Interpretation of the Venice SP for Small Lot Subdivisions

Applicable Codes: 2004 Venice Coastal Zone Specific Plan
2018 Los Angeles Building Code
2018 Los Angeles Municipal Code
2018 California Building Code

Gross Lot Area: 115,674 sq.ft. (Existing property line per County of Los Angeles, Office of the Assessor)

Net Lot Area: 97,050 sq.ft. (Gross Lot Area excluding dedications)

Buildable Area: 90,573 sq.ft. (Net Lot Area excluding setbacks required by Venice Coastal Zone Specific Plan)

Floor-Area Ratio: Option B: 1.15:1 (Based on Buildable Area)

Allowable Dwelling Units: 144
(115,674 sq.ft. at 800 sq.ft. per dwelling unit)
(per LAMC 12.14.C.3 and 12.21.C.6)

Dwelling Units: West Building: 56
East Building: 84
Total: 140

Number of Floors: West Building: 3 (With 5-story architectural campanile at NW corner of North Venice Blvd. and Pacific Ave.)
East Building: 3

Provided Setbacks: Front: 5'-0"
Side: 5'-0"
Canal: 15'-0" average, no less than 10'-0"
(per Venice Specific Plan 10.E.3.a)

Maximum Building Height: The building would not exceed 35 feet in height except for a 59-foot in height community room at the corner of Venice Boulevard and Pacific Avenue. Roof railing, elevator, and a roof access structure would extend 12 feet above the community room.

AREA TABULATION

AREA PROVIDED BY OCCUPANCY

		LIVE / WORK		STUDIO		1 BEDROOM		2 BEDROOM		COMMON AREA	SUPPORTING OFFICE	RETAIL	RESTAURANT	ART STUDIO	EXTERIOR WALKWAYS	COVERED ALCOVES	AREA UNDER BUILDING OVERHANGS	TOTAL	
		#	Area	#	Area	#	Area	#	Area									#	Area
WEST SITE	Ground Floor	13	4,810	4	1405	-	-	-	-	1,150	260	2,255	810	-	-	950	685	17	12,325
	2nd Floor	-	-	29	8,605	3	1,525	-	-	195	-	-	-	-	3,860	1,310	-	32	15,495
	3rd Floor	-	-	10	2,870	2	1,025	2	1,530	215	-	-	-	-	2,390	-	-	14	8,030
	4th Floor	-	-	-	-	-	-	-	-	205	-	-	-	-	-	-	-	-	205
	5th Floor	-	-	-	-	-	-	-	-	285	-	-	-	-	-	-	-	-	285
	West Site Subtotal	13	4,810	43	12,880	5	2,550	2	1,530	2,050	260	2,255	810	-	6,250	2,260	685	63	36,340
EAST SITE	Ground Floor	21	8,830	-	-	-	-	2	1,640	1,555	425	-	-	3155	-	2,550	8,045	23	26,200
	2nd Floor	-	-	7	2,220	12	6,660	11	8,855	1,760	-	-	-	-	3,945	235	0	30	23,675
	3rd Floor	-	-	5	1,575	8	4,165	11	8,565	-	-	-	-	-	3,620	-	0	24	17,925
	East Site Subtotal	21	8,830	12	3,795	20	10,825	24	19,060	3,315	425	-	-	3,155	7,565	2,785	8,045	77	67,800
	Total	34	13,640	55	16,675	25	13,375	26	20,590	5,365	685	2,255	810	3,155	13,815	5,045	8,730	140	104,140

RESIDENTIAL UNIT TYPES

OCCUPANCY	SPEC. NEEDS	AFFORDABLE	MANAGER	TOTAL
Live / Work	17	17	0	34
Studio	28	27	0	55
1 Bedroom	12	13	0	25
2 Bedroom	11	11	4	26
Total	68	68	4	140

RESIDENTIAL UNIT SIZES

OCCUPANCY	SIZE RANGE (SQ.FT.)	AVG. SIZE (SQ.FT.)
Live / Work	350-480	400
Studio	281-350	301
1 Bedroom	512-687	542
2 Bedroom	757-903	788

Common area includes lobbies, enclosed bike storage, laundry facilities, and community rooms.

Supporting office areas include office space for tenant supportive services and on-site storage. Intended for use by internal staff and tenants only.

AB 744 Special Needs Residential Units defined by California Health and Safety Code 51312.B.1.:

"For purposes of this chapter, "special needs housing" means any housing, including supportive housing, intended to benefit, in whole or in part, persons identified as having special needs relating to any of the following: (A) Mental health. (B) Physical Disabilities. (C) Developmental disabilities, including, but not limited to, intellectual disability, cerebral palsy, epilepsy, and autism. (D) The risk of homelessness."

BICYCLE PARKING TABULATION

BICYCLE PARKING REQUIRED

TYPE	RATIO		WEST SITE UNITS	WEST SITE TOTAL	EAST SITE UNITS	EAST SITE TOTAL	TOTAL
Long Term Residential	1	/1 units (1-25)	25	25	25	25	50
	1	/1.5 units (26-100)	31	21	59	40	61
	1	/2 units (101-200)	-	-	-	-	-
	1	/4 units (201+)	-	-	-	-	-
Long Term Retail	1	/2,000 sq.ft. (2 min.)	4,065	2	-	-	2
Long Term Restaurant	2	/restuarant < 1,000 sq.ft.	1	2	-	-	2
Long Term Commercial	1	/10,000 sq.ft. (2 min.)	-	-	3,155	2	2
Long Term Subtotal				50		67	117
Short Term Residential	1	/10 units (1-25)	25	3	25	3	6
	1	/15 units (26-100)	31	3	59	4	7
	1	/20 units (101-200)	-	-	-	-	-
	1	/40 units (201+)	-	-	-	-	-
Short Term Retail	1	/2,000 sq.ft. (2 min.)	4,065	2	-	-	2
Short Term Restaurant	2	/restuarant < 1,000 sq.ft.	1	2	-	-	2
Short Term Commercial	1	/10,000 sq.ft. (2 min.)	-	-	3,155	2	2
Short Term Subtotal				10		9	19
Total				60		76	136

Calculation per Ordinance no. 185480

BICYCLE PARKING PROVIDED (BY SITE)

TYPE	WEST SITE	EAST SITE	TOTAL
Long Term	50	67	117
Short Term	10	9	19
Total	60	76	136

OPEN SPACE TABULATION

OPEN SPACE REQUIRED

TYPE	RATIO		UNITS	TOTAL (SQ.FT.)
Live / Work	100	/unit	34	3,400
Studio	100	/unit	55	5,500
1 Bedroom	100	/unit	25	2,500
2 Bedroom	125.0	/unit	26	3,250
Total open space required				14,650
Landscaped space required	25%		14,650	3,663

OPEN SPACE PROVIDED (BY SITE)

TYPE	WEST SITE	EAST SITE	TOTAL (SQ.FT.)
Common Open Space	7,615	8,635	16,250
Private Open Space	0	0	0
Total	7,615	8,635	16,250
Landscaped Space	0	4,930	4,930

AUTOMOBILE PARKING TABULATION

AUTOMOBILE PARKING SUMMARY

	TYPE	REQUIRED	PROVIDED
WEST GARAGE	New Parking (Residential)	61	61
	New Parking (Commercial)	42	42
	New Parking (Guest)	-	-
	New Parking (Non-Required)	-	5
	West Garage Subtotal	103	108
EAST GARAGE	New Parking (Beach Impact)	23	23
	Replacement Parking (Public)	188	188
	New Parking (Non-Required)	-	41
	East Garage Subtotal	211	252
	Total	314	360

AB 744 Special Needs Residential Unit parking requirements defined by California Government Code 65915.O.3.C.:

"If the development is a special needs housing development, as defined in Section 51312 of the Health and Safety Code, the ratio shall not exceed 0.3 spaces per unit. The development shall have either paratransit service or unobstructed access, within one-half mile, to fixed bus route service that operates at least eight times per day."

AUTOMOBILE PARKING REQUIRED

TYPE	RATIO		UNITS	TOTAL	SOURCE
Manager Residential Unit	1.5	/unit	4	6	per Venice Specific Plan 13.D
Special Needs Residential Unit	0.3	/unit	68	21	parking reduction per AB744
Affordable Residential Unit	0.5	/unit	68	34	parking reduction per AB744
Residential Subtotal				61	
Art Studio	1.0	/500 sq.ft.	3,155	6	per Venice Specific Plan 13.D
Retail	1.0	/225 sq.ft.	2,255	10	per Venice Specific Plan 13.D
Restaurant	1.0	/50 sq.ft.	810	16	per Venice Specific Plan 13.D
Outdoor Restaurant Service Area	1.0	/50 sq.ft.	500	10	per Venice Specific Plan 13.D
Commercial Subtotal				42	
Guest Parking	Not Required			-	parking reduction per AB744
Beach Impact Parking	1.0	/1,000 sq.ft. ground floor	22,970	23	per Venice Specific Plan 13.E.2
Subtotal Parking Required by Project				126	
Replacement Parking				188	required by AHOS program
Total Parking Required				314	

AUTOMOBILE PARKING PROVIDED (BY SITE)

TYPE	WEST GARAGE	EAST GARAGE	TOTAL PROVIDED
Manager Residential Unit	6	-	6
Special Needs Residential Unit	21	-	21
Affordable Residential Unit	34	-	34
Residential Subtotal	61	-	61
Art Studio	6	-	6
Retail	10	-	10
Restaurant	16	-	16
Outdoor Restaurant Service Area	10	-	10
Commercial Subtotal	42	-	42
Guest Parking	-	-	-
Beach Impact Parking	-	23	23
Replacement Parking	-	188	188
Non-Required Parking (surplus)	5	41	46
Total Parking Provided	108	252	360

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PRINT RECORD

DATE	DESCRIPTION	REV	DATE	DESCRIPTION	REV
12/12/18	ENTITLEMENT DRAWINGS	1			
01/07/20	ENTITLEMENT DRAWINGS	2			

PROJECT TITLE
REESE DAVIDSON COMMUNITY

SHEET TITLE
PROJECT INFORMATION

SHEET NUMBER
G0.01

DATE: 01/07/20 REVISION: 2

Perspective Looking North from Pacific Ave.

Perspective Looking West Along South Venice Blvd.

Perspective Looking West Along Dell Avenue.

Perspective Looking Southeast Along Grand Canal

Perspective Looking East Along Grand Canal

Perspective Looking South Along North Venice Blvd.

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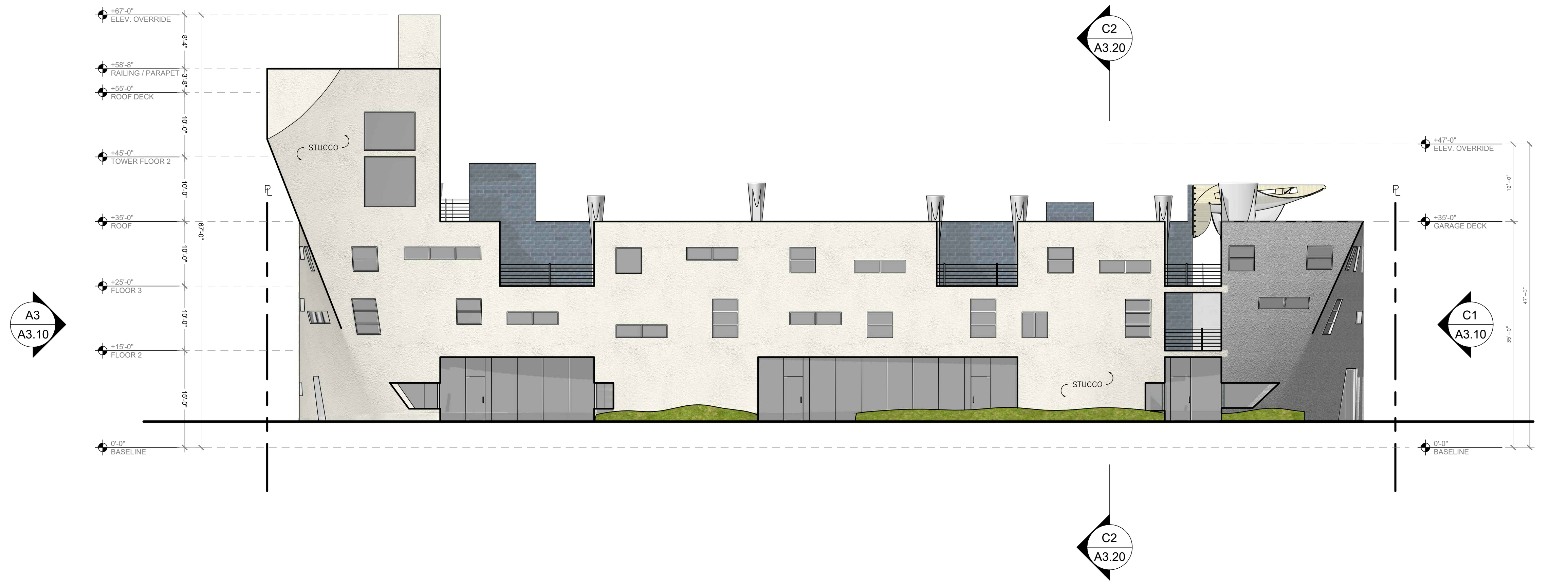
PROJECT TITLE
REESE DAVIDSON COMMUNITY

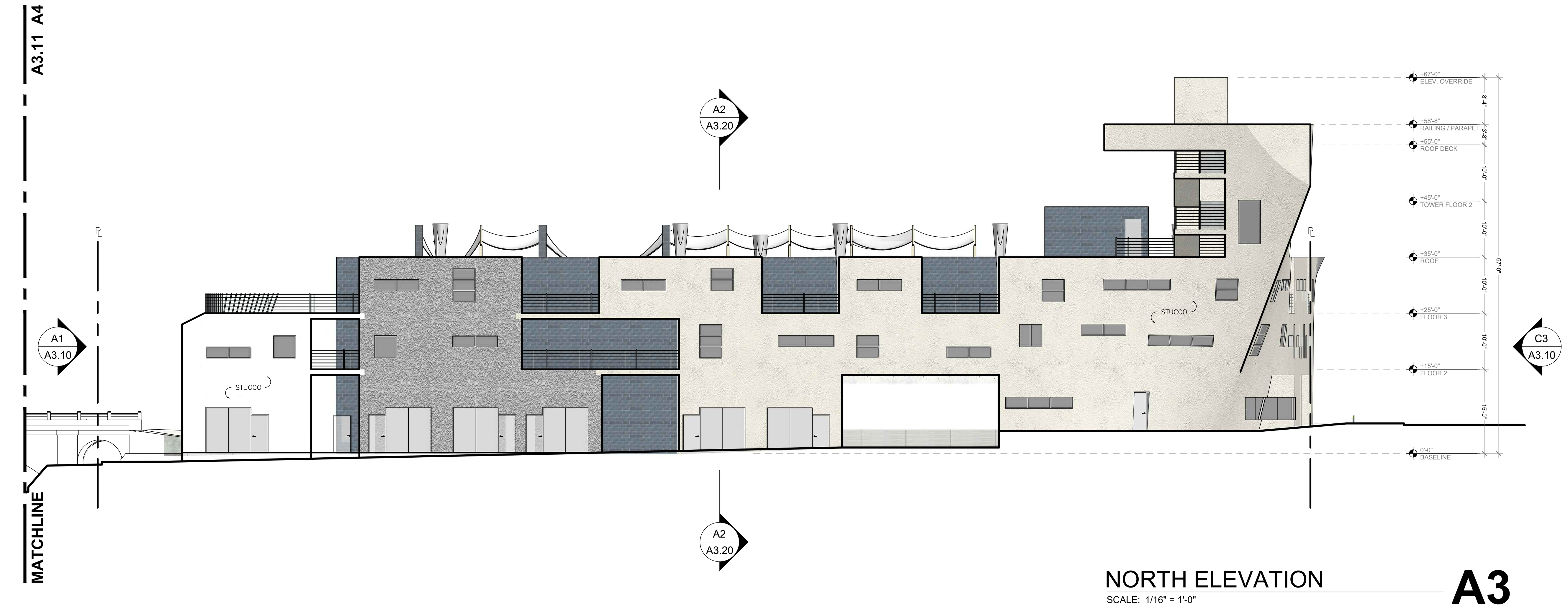
SHEET TITLE
3D VIEWS

SHEET NUMBER
G0.10

DATE: **01/07/20** REVISION: **2**

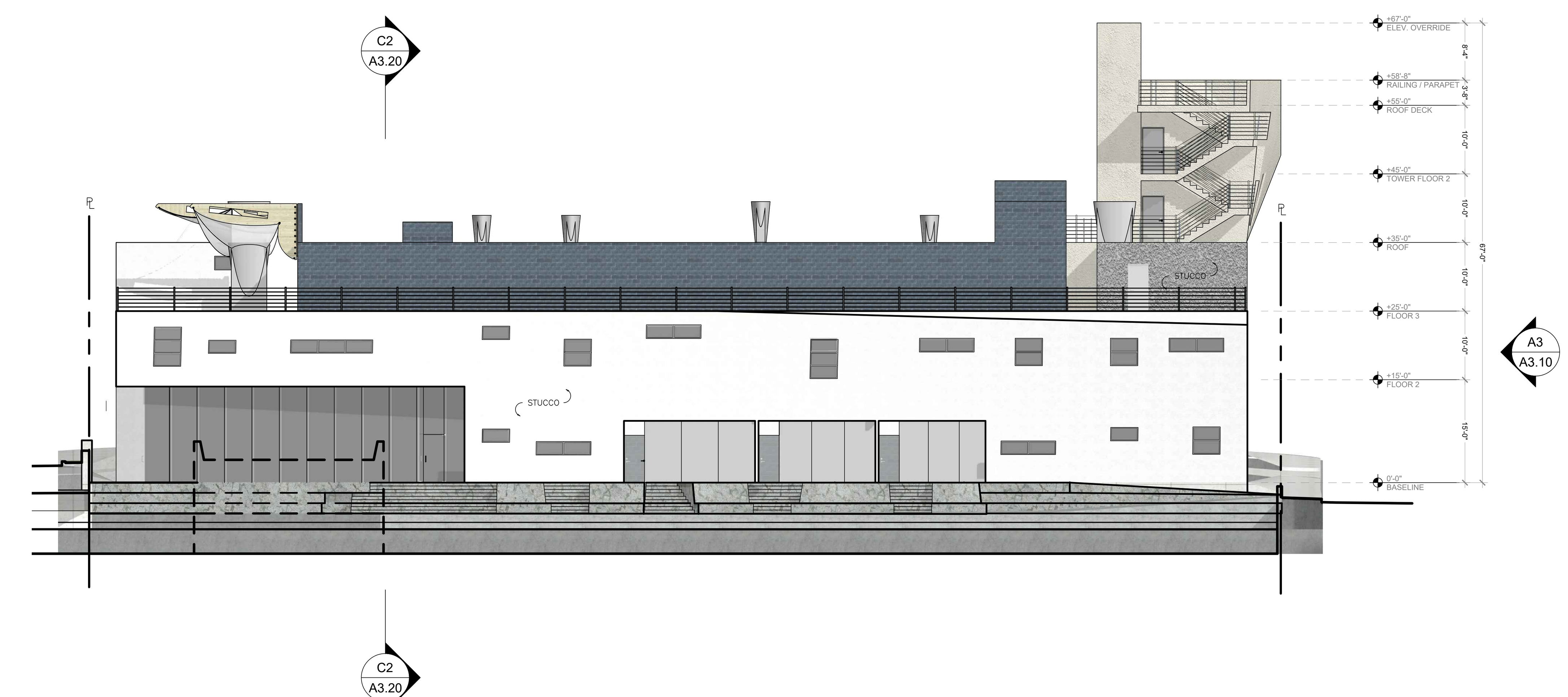


WEST ELEVATION **C3**
SCALE: 1/16" = 1'-0"



NORTH ELEVATION **A3**
SCALE: 1/16" = 1'-0"

SOUTH ELEVATION **C1**
SCALE: 1/16" = 1'-0"



EAST ELEVATION **A1**
SCALE: 1/16" = 1'-0"

0 5' 10' 15' 25' 50'

ARCHITECT
ERIC OWEN MOSS ARCHITECTS
8557 HIGUERA STREET
CULVER CITY, CA 90232
310-839-1199

CLIENT
VENICE COMMUNITY HOUSING CORP.
720 ROSE AVENUE
VENICE, CA 90291
310-399-1130

HOLLYWOOD COMMUNITY HOUSING CORP.
5020 SANTA MONICA BOULEVARD
LOS ANGELES, CA 90029
323-469-0710

PRINT RECORD

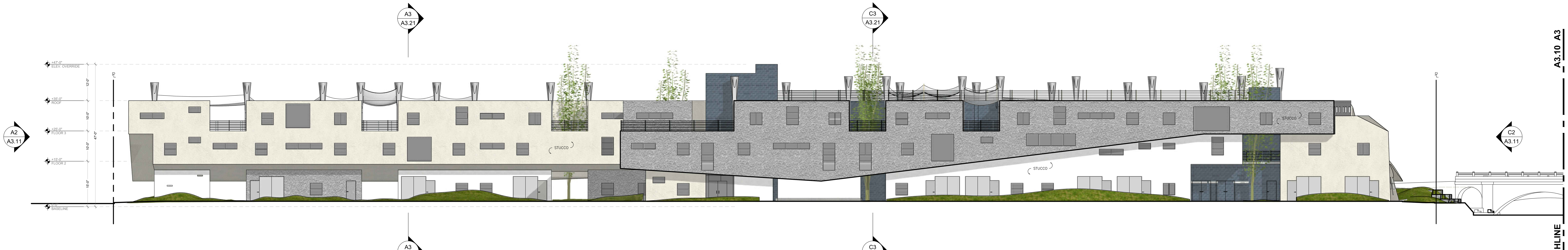
DATE	DESCRIPTION	REV	DATE	DESCRIPTION	REV
12/12/18	ENTITLEMENT DRAWINGS	1			
01/07/20	ENTITLEMENT DRAWINGS	2			

PROJECT TITLE
REESE DAVIDSON COMMUNITY

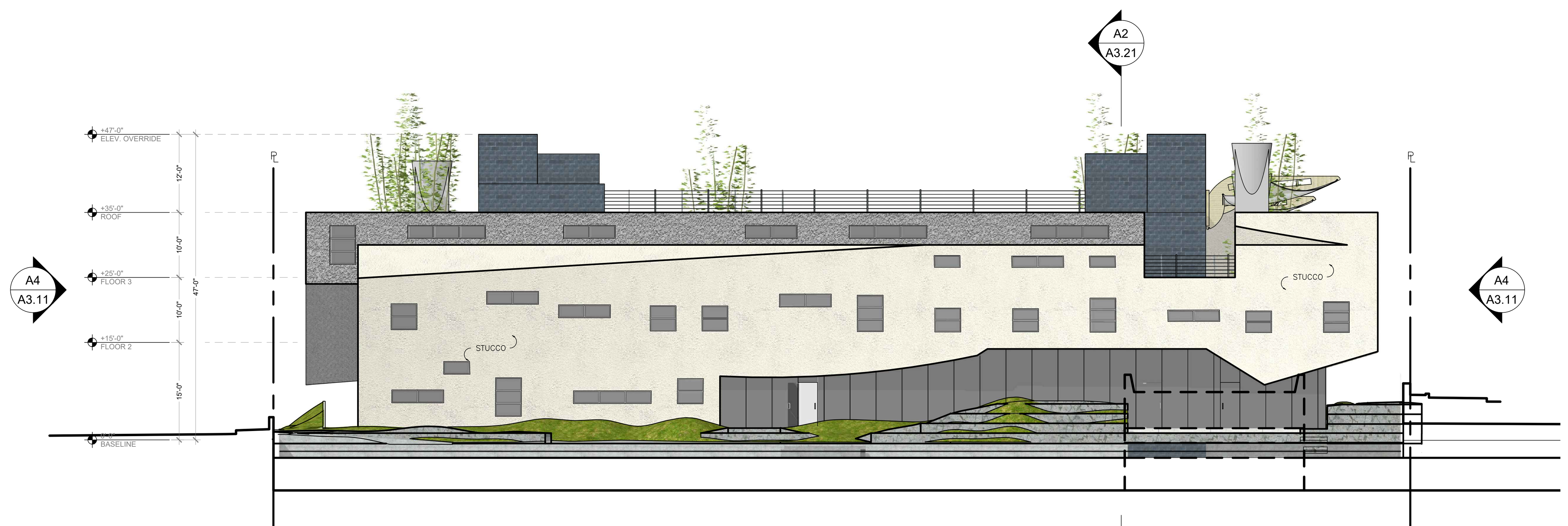
SHEET TITLE
ELEVATIONS - WEST

SHEET NUMBER
A3.10

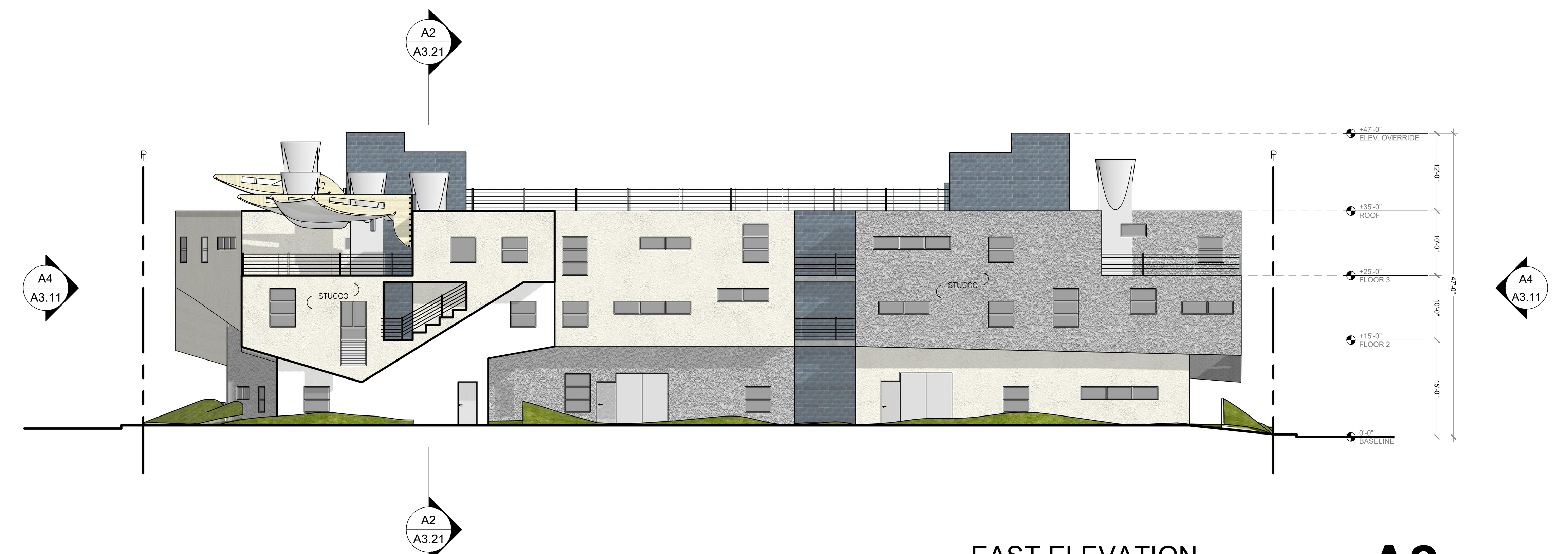
DATE: 01/07/20 REVISION: 2



NORTH ELEVATION **A4**
SCALE: 1/16" = 1'-0"



WEST ELEVATION **C2**
SCALE: 1/16" = 1'-0"



EAST ELEVATION **A2**
SCALE: 1/16" = 1'-0"

SOUTH ELEVATION **A1**
SCALE: 1/16" = 1'-0"

0 5' 10' 15' 25' 50'

ARCHITECT
ERIC OWEN MOSS ARCHITECTS
8557 HIGUERA STREET
CULVER CITY, CA 90232
310-839-1199

CLIENT
VENICE COMMUNITY HOUSING CORP.
720 ROSE AVENUE
VENICE, CA 90291
310-399-1130

HOLLYWOOD COMMUNITY HOUSING CORP.
5020 SANTA MONICA BOULEVARD
LOS ANGELES, CA 90029
323-469-0710

NOT FOR CONSTRUCTION

PRINT RECORD

DATE	DESCRIPTION	REV	DATE	DESCRIPTION	REV
12/12/18	ENTITLEMENT DRAWINGS	1			
01/07/20	ENTITLEMENT DRAWINGS	2			

PROJECT TITLE
REESE DAVIDSON COMMUNITY

SHEET TITLE
ELEVATIONS - EAST

SHEET NUMBER
A3.11

DATE: **01/07/20** REVISION: **2**

LANDSCAPE PLAN

SCALE: 1/16" = 1'-0"

A1

ARCHITECT

ERIC OWEN MOSS ARCHITECTS
8557 HIGUERA STREET
CULVER CITY, CA 90232
310-839-1199

CLIENT

VENICE COMMUNITY HOUSING CORP.
720 ROSE AVENUE
VENICE, CA 90291
310-399-1130

HOLLYWOOD COMMUNITY HOUSING CORP.
5020 SANTA MONICA BOULEVARD
LOS ANGELES, CA 90029
323-469-0710

NOT FOR CONSTRUCTION

PRINT RECORD

DATE	DESCRIPTION	REV	DATE	DESCRIPTION	REV
12/12/18	ENTITLEMENT DRAWINGS	1			
01/07/20	ENTITLEMENT DRAWINGS	2			

PROJECT TITLE
REESE DAVIDSON COMMUNITY

SHEET TITLE
LANDSCAPE PLAN - WEST

SHEET NUMBER
L1.10

DATE: 01/07/20 REVISION: 2

LANDSCAPE PLAN
SCALE: 1/16" = 1'-0"
A1

ARCHITECT
ERIC OWEN MOSS ARCHITECTS
8557 HIGUERA STREET
CULVER CITY, CA 90232
310-839-1199

CLIENT
VENICE COMMUNITY HOUSING CORP.
720 ROSE AVENUE
VENICE, CA 90291
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HOLLYWOOD COMMUNITY HOUSING CORP.
5020 SANTA MONICA BOULEVARD
LOS ANGELES, CA 90029
323-469-0710

NOT FOR CONSTRUCTION

PRINT RECORD

DATE	DESCRIPTION	REV	DATE	DESCRIPTION	REV
12/12/18	ENTITLEMENT DRAWINGS	1			
01/07/20	ENTITLEMENT DRAWINGS	2			

PROJECT TITLE
REESE DAVIDSON COMMUNITY

SHEET TITLE
LANDSCAPE PLAN - EAST

SHEET NUMBER
L1.11

DATE: 01/07/20 REVISION: 2

Attachment E

Project Pro Forma

Venice Dell Community

Prepared For:	VCH & HCHC
Prepared By:	California Housing Partnership Corporation
Version:	1.04
Revised:	1/12/2022
Filename:	VCH HCHC Venice Dell v1.04 feasibility.xlsm

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SOURCES OF FUNDS - PERMANENT

	AMOUNT	TOTAL INTEREST COST	OID INTEREST RATE	AMORT (Yr)	COMMENTS			
					Total Permanent Debt:	*5,488,000*		
Tax-Exempt Perm Loan	5,488,000	5.911%		20.0	*Term - 20 (yrs.) Index - 10Y T -*	*1.630%*	*Spread - 285 bps*	
LAHD - AHMP	6,300,000	3.000%	1.788%	55.0			*Per Unit:*	*45,000*
Accrued Deferred Interest - LAHD - AHI	96,771							
HCD - MHP/VHHP/AHSC	30,763,696	3.000%	1.903%	55.0			*Per Unit:*	*219,741*
GP Loan (IIG)	7,500,000	0.000%	0.000%	55.0			*Per Unit:*	*53,571*
GP Loan (FHLB AHP)	1,250,000	0.000%	0.000%	55.0			*Per Unit:*	*8,929*
LAHD Ground Lease Value	0	0.000%	0.000%	55.0			*Per Unit:*	-
Deferred Developer Fee	0	0.000%	0.000%					
Capital Contributions								
General Partner (Developer Fee)	800,000				*Total LP capital includes release of bond collateral funded during construction*			
GP Capital - Sponsor	100				*Synd Costs*	*195,000*		
					Net Equity for TCAC	*34,475,972*		
Limited Partners	34,670,972				*Fed LIHTC: $0.90*		*State LIHTC: $0.80*	
TOTAL SOURCES	**86,869,539**							
Surplus/(Shortfall)	*0*							

PERMANENT LOAN INTEREST RATE	TRANCHE A	TRANCHE B		
Base Rate	4.480%	4.480%		
Cushion	1.250%	1.250%		
MIP	0.000%	0.000%		
GNMA/Servicing	0.000%	0.000%		
Issuer	0.125%	0.125%	*2,500*	*Issuer min/y*
Trustee	0.056%	0.000%	*3,100*	*per annum*
Rating	0.000%	0.000%	*0*	*per annum*
Remarketing	0.000%	0.000%	*0*	*per annum*
Rebate Analyst	0.000%	0.000%	*0*	*per annum*
Total	**5.911%**	**5.855%**		

INVESTOR EQUITY STACK	
LIHTC Equity (Federal+Sta	34,670,972
Historic Tax Credit	0
Investment Tax Credit (Sol	0
Subtotal LP Equity	**34,670,972**
CA Certificated Credit Sale	0
Total Investor Equity	**34,670,972**

OTHER ASSUMPTIONS	
Current AFR:	1.90%
AFR Month:	Dec-21
AFR Cushion:	0.00%
Total U/W AFR:	**1.90%**

SOURCES OF FUNDS - CONSTRUCTION

	AMOUNT	INTEREST RATE	TERM (Mos.)	COMMENTS		
Tax-Exempt Construction Loan	45,120,000	3.750%	30			
Taxable Construction Loan	19,076,413	4.000%	30			
LAHD - AHMP	6,300,000	3.000%	30			
Accrued Deferred Interest - LAHD - AHI	96,771					
GP Loan (IIG)	7,500,000	0.000%	30			
GP Loan (FHLB AHP)	1,250,000	0.000%	30			
LAHD Ground Lease Value	0	0.000%	30			
Costs Deferred Until Conversion	2,325,608			*See page 2 - right column*		
Deferred Developer Fee	0					
Capital Contributions						
General Partner (Developer Fee)	0					
GP Capital - Sponsor	100					
Limited Partners*	5,200,646			***Total Equity During Const.***	***5,200,646***	***15.00%***
TOTAL SOURCES	**86,869,539**			*Syndication Costs*	*195,000*	
Surplus/(Shortfall)	*(0)*			*Net Equity for TCAC*	*5,005,646*	
Sources Less Deferred To Conversion:	*84,543,931*					

CONSTRUCTION LOAN INTEREST RATE	
Index Type:	SOFR
Current Index:	0.50%
Spread:	1.75%
Base Interest Rate (not including cushi	2.25%
Cushion - Total	1.50%
Interest Rate (All-In)	**3.75%**

CONSTRUCTION LOAN VALUATION		
Restricted NOI		690,983
OAR		4.50%
FMV per NOI		15,355,182
Agg. Credit Value @	0.8999	34,670,972
Perm-Only Soft Debt		30,763,696
Total Value		80,789,850
LTV:		85.00%
Max. Const. Loan Amount		68,671,373
Commitment Amount		TBD

TAX-EXEMPT BOND DATA	
50% Test (see Page 7):	55.00%
Issuer Inducement:	TBD
CDLAC Allocation:	TBD
Percent of CDLAC Allocatior	0.00%
Const-only portion:	39,632,000
CDLAC Per-Unit Limit	75,151,000
CDLAC 55% Limit	45,120,000
50% Test Target	55.00%
Target Limit	45,120,746

Uses of Funds

Version: 1.04

		Res Cost:	92.84%		COST ALLOCATIONS					LIHTC ELIGIBLE BASIS		OTHER BASIS & COST ALLOCATIONS			
		Res Sq Foot:	80.01%		*Assuming 266 Election?*	*No*									
						Depreciable						Deferred to Completion or Perm Conv.	Land/Basis for 50% Test	Historic Rehab Tax Credit Basis	ITC Tax Credit Basis (Solar PV)
	TOTAL	**Per Unit**	**Total Residential**	**Total Non-Residential**	**Non-Depreciable**	Residential	Non-Resid.	**Expensed**	**Amortized**	**Constr./ Rehab**	**Acquisition**				
ACQUISITION COSTS															
Total Purchase Price - Real Estate:															
0															
Land - Venice Dell	0	0	0	0	0							0	0		
Legal - Acquisition	30,000	214	27,853	2,147	30,000	0	0				0	0	30,000		
Land Holding Costs	50,000	357	46,422	3,578	50,000					0		0	50,000		
Off-Site Improvements	319,125	2,279	319,125	0	0	319,125	0			319,125		0	319,125	319,125	
HARD COSTS															
Total Construction Contract:															
60,523,565	***excl BIP***														
NEW CONSTRUCTION															
Demolition & Abatement	595,818	4,256	595,818	0	595,818	0	0			0		0	595,818	0	
Hard Costs-Unit Construction	42,739,973	305,286	42,739,973	0		42,739,973	0			42,739,973		0	42,739,973	42,739,973	
Personal Property in Construction Contrac	2,271,825	16,227	2,271,825	0		2,271,825	0			2,271,825		0	2,271,825		
Site Improvements/Landscape	1,223,428	8,739	1,223,428	0		1,223,428	0			1,223,428		0	1,223,428		
Rough Grading	532,819	3,806	492,375	40,444	532,819							0	532,819		
GC - General Conditions	4,352,544	31,090	4,043,453	309,091		4,043,453	309,091			4,043,453		0	4,352,544	4,352,544	
GC - Overhead & Profit	2,418,081	17,272	2,246,364	171,717		2,246,364	171,717			2,246,364		0	2,418,081	2,418,081	
GC - Insurance	689,153	4,923	640,213	48,940		640,213	48,940			640,213		0	689,153	689,153	
GC - Bond Premium	689,153	4,923	640,213	48,940		640,213	48,940			640,213		0	689,153	689,153	
Construction - Other - PhotoVoltaic Systen	345,000	2,464	345,000	0		345,000	0			345,000		0	345,000		345,000
Construction - Other - Site Utilities	1,052,750	7,520	952,750	100,000		952,750	100,000			952,750		0	1,052,750	1,052,750	
Construction - Other - BIP	1,294,656	9,248	0	1,294,656		0	1,294,656			0		0	1,294,656	1,294,656	
Construction - Commercial - Core & Shell	3,293,896	23,528	0	3,293,896		0	3,293,896			0		0	3,293,896	3,293,896	
Contingency - Owner's Construction	6,052,357	43,231	5,521,589	530,768		5,521,589	530,768			5,521,589		0	6,052,357	6,052,357	
SOFT COSTS															
Architecture - Design	3,902,207	27,873	3,622,989	279,218		3,622,989	279,218			3,622,989		0	3,902,207	3,902,207	22,244
Design/Engineering	210,833	1,506	195,747	15,086		195,747	15,086			195,747		0	210,833	210,833	1,202
Design/Engineering - LEED/CASp	150,000	1,071	139,267	10,733		139,267	10,733			139,267		0	150,000	150,000	
Phase I/II/Toxics Report	40,000	286	37,138	2,862		37,138	2,862			37,138		0	40,000	40,000	
Special Inspections/Testing	200,000	1,429	185,689	14,311		185,689	14,311			185,689		0	200,000	200,000	
CEQA	355,000	2,536	329,598	25,402		329,598	25,402			329,598		0	355,000	355,000	
Owner's Rep / Construction Supervision	182,000	1,300	168,977	13,023		168,977	13,023			168,977		0	182,000	182,000	1,037
Local Development Impact Fees	408,928	2,921	379,668	29,260		379,668	29,260			379,668		0	408,928	408,928	
Local Permits/Fees	950,000	6,786	882,024	67,976		882,024	67,976			882,024		0	950,000	950,000	
Relocation - Permanent	400,000	2,857	371,378	28,622	400,000							0		0	
Insurance During Const	500,000	3,571	464,223	35,777		464,223	35,777			464,223		0	500,000	500,000	2,850
Appraisal	12,000	86	11,141	859		11,141	859			11,141		0	12,000	12,000	
Market/Rent Comp Study	10,000	71	10,000	0					10,000	0		0	0	0	
Planning/Entitlements	450,000	3,214	417,801	32,199		417,801	32,199			417,801		0	450,000	450,000	
Soft Cost Contingency	343,459	2,453	318,883	24,576		318,883	24,576			318,883		0	343,459	343,459	
Predev. Loan Interest/Fees	533,000	3,807	494,862	38,138		494,862		38,138		494,862	0	0	494,862	494,862	
Construction Loan Interest	3,102,000	22,157	2,880,040	221,960		1,570,931	121,069	1,410,000		1,570,931		0	1,692,000	1,692,000	8,601
Construction Loan Interest - Tail	635,880	4,542	590,381	45,500		0	0	635,880		0		0	0	0	0
Interest - LAHD - AHMP	249,084	1,779	249,084	0		152,313	0	96,771		152,313		0	152,313	152,313	
Title/Recording/Escrow - Construction	90,000	643	83,560	6,440		83,560	6,440			83,560		0	90,000	90,000	
Title/Recording/Escrow - Permanent	20,000	143	18,569	1,431					20,000			0			
Legal (Owner): Construction Closing	90,000	643	83,560	6,440		83,560	6,440			83,560		0	90,000	90,000	
Permanent Closing	25,000	179	23,211	1,789					25,000			0			
Organization of Ptnshp	25,000	179	25,000	0					25,000			0			
Syndication - LP	55,000	393	55,000	0	55,000							0			
Syndication Consulting	85,000	607	85,000	0	85,000							5,000			
Audit/Cost Certification	30,000	214	30,000	0				30,000				0			
TCAC Application/Res/Monitoring Fee	96,927	692	96,927	0					96,927			57,400			
Marketing	48,000	343	48,000	0				48,000				0			
Furnishings Not in Contract	297,500	2,125	297,500	0		297,500	0			297,500		0	297,500		
Start-up/Lease-up Expenses	50,000	357	50,000	0				50,000				0			
Capitalized Operating Reserve (3 mos.)	467,473	3,339	467,473	0	467,473							467,473			
Capitalized Transition Reserve-HCD	420,736	3,005	390,630	30,105	420,736							420,736			
Developer Fee	3,300,000	23,571	3,063,873	236,127		3,063,873	236,127			3,063,873	0	1,375,000	3,300,000	3,300,000	57,140
COSTS OF ISSUANCE															
Bond Counsel	60,000	429	60,000	0		0	0		60,000	0		0	0	0	
Trustee Counsel	4,500	32	4,500	0		0	0		4,500	0		0	0	0	
Issuer Financial Advisor	35,000	250	35,000	0		0	0		35,000	0		0	0	0	
Issuer Application Fee + TEFRA Fee	60,018	429	60,018	0		0	0		60,018	0		0	0	0	
Issuer Fee - Upfront	157,491	1,125	157,491	0		0	0		157,491	0		0	0	0	
Issuer Fee - Annual During Const.	169,200	1,209	169,200	0		0	0		169,200	0		0	0	0	
Construction Lender Origination Fee	481,473	3,439	447,022	34,451		204,525	15,762		261,186	204,525		0	220,287	220,287	
Construction Lender Expenses	40,000	286	37,138	2,862		16,992	1,310		21,699	16,992		0	18,301	18,301	
Construction Lender Counsel	60,000	429	55,707	4,293		25,487	1,964		32,548	25,487		0	27,452	27,452	
Permanent Lender Expenses	10,000	71	9,284	716		0	0		10,000	0		0	0	0	
Permanent Lender Counsel	35,000	250	32,496	2,504		0	0		35,000	0		0	0	0	
Permanent Loan Origination Fee	41,160	294	38,215	2,945		0	0		41,160	0		0	0	0	
Trustee Fee During Construction	9,300	66	8,635	665		0	0		9,300	0		0	0	0	
CDLAC Fee	15,792	113	15,792	0		0	0		15,792	0		0	0	0	
CDIAC Fee	5,000	36	5,000	0		0	0		5,000	0		0	0	0	
Subtotal - Financing/Costs of Issuance	*1,183,934*	*8,457*	*1,135,497*	*48,437*	*0*	*247,004*	*19,036*	*0*	*917,894*	*247,004*	*0*	*0*	*266,040*	*266,040*	*0*
TOTAL DEVELOPMENT COSTS	**86,869,539**	**620,497**	**79,809,094**	**7,060,445**	**2,636,845**	**74,090,682**	**6,738,401**	**2,308,790**	**1,094,821**	**74,090,682**	**0**	**2,325,608**	**82,037,720**	**76,691,330**	**438,074**
TDC Per Unit	*620,497*		91.87%												
TDC Net of accrued interest:	*86,772,768*														
TDC TCAC	*86,674,539*		*79,614,094*												

Developer Fee Calculation

Version: 1.04

MAXIMUM DEVELOPER FEE CALCULATION

	CONST.	ACQ.	TOTAL
Fee per Base TCAC Formula	11,629,362	0	11,629,362
Percent of Total	*100.00%*	*0.00%*	*100.00%*
Max. Allowable Fee per TCAC (prorated)	11,629,362	0	11,629,362
Less: Development Consulting	*0*		*0*
Net Allowable	**11,629,362**	**0**	**11,629,362**
Less: Owner Reduction	0	0	0
Net Allowable	**11,629,362**	**0**	**11,629,362**

		TOTAL
Maximum Base Developer Fee per TCAC		11,629,362
Maximum Developer Fee per HCD		N/A
Maximum Developer Fee per Local		N/A
Maximum Developer Fee per Owner		3,300,000
Maximum Developer Fee at Max Cash Fee		
Most Restrictive Maximum Developer Fee:		**3,300,000**
Maximum Cash Fee per TCAC	*(Lesser of Calc. or Reservation Amount)*	3,300,000
Maximum Cash Fee per HCD		N/A
Maximum Cash Fee per LAHD		2,500,000
Maximum Cash Fee per Owner		N/A
Most Restrictive Maximum Cash Fee:		**2,500,000**

ACTUAL DEVELOPER FEE PAYMENT SCHEDULE

	Amount	% of Cash Fee	% of Total Fee
Construction Close	1,000,000	40.00%	30.30%
Completion	125,000	5.00%	3.79%
Conversion	1,225,000	49.00%	37.12%
Final LP Pay-in 1	150,000	6.00%	4.55%
Total: Cash Fee	**2,500,000**		
Plus: Deferred Developer Fee	0		0.00%
Plus: GP Capital	800,000		24.24%
Total Developer Fee	**3,300,000**		

Unit Mix & Rental Income

Version: 1.04

AVERAGE AFFORDABILITY FOR LIHTC UNITS (% of Median)	40.00%
9% TCAC INCOME TARGETING PTS:	50.00
RENT LIMITS AS OF YEAR:	2021

UTILITY ALLOWANCES	0BR	1BR	2BR	3BR	4BR	5BR
Venice Dell	30	40	52	-	-	-
	-	-	-	-	-	-

RESIDENTIAL INCOME

LIHTC - Tier 1	*Venice Dell*				*TCAC*	*30% AMI*		*% of Units: 50.00%*		*Section 8 SUBSIDIZED*					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	42	375	30.0%		621	591	591	24,822	297,864	42	1,492	901	37,842	454,104	751,968
1BR	15	500	30.0%		665	625	625	9,375	112,500	15	1,724	1,099	16,485	197,820	310,320
2BR	11	800	30.0%		798	746	746	8,206	98,472	11	2,196	1,450	15,950	191,400	289,872
TOTAL	**68**							**42,403**	**508,836**	**68**			**70,277**	**843,324**	**1,352,160**

Per AB 1197/AB 2162, HCD Low rents required on 100% of units

LIHTC - Tier 2	*Venice Dell*				*TCAC*	*50% AMI*		*% of Units: 50.00%*		*NOT SUBSIDIZED*					
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent	Number of Subsidized Units	Per Unit Net Subsidy Rents	Per Unit Subsidy Increment	Total Monthly Subsidy	Total Annual Subsidy	Total Annual Income
0BR	47	375	40.6%		840	1,005	810	38,070	456,840	0	0	0	0	0	456,840
1BR	10	500	43.3%		960	1,068	920	9,200	110,400	0	0	0	0	0	110,400
2BR	11	800	40.6%		1,080	1,278	1,028	11,308	135,696	0	0	0	0	0	135,696
TOTAL	**68**							**58,578**	**702,936**	**0**			**0**	**0**	**702,936**

Staff Units - Site 1	*Venice Dell*								
Unit Type	Number	Unit Floor Area	Actual Rent TCAC AMI %	Actual Rent Other AMI %	Per Unit Monthly Gross Rent	Per Unit Regulatory Net Rent	Per Unit Actual Net Rent	Total Monthly Net Rent	Total Annual Net Rent
2BR	4	800	0.0%		0	0	0	0	0
TOTAL	**4**							**0**	**0**

TOTAL RESIDENTIAL INCOME	Number	Total Monthly Net Rent	Total Annual Net Rent	Monthly Section 8 Income	Annual Section 8 Income							Grand Total Income	Total Floor Area
LIHTC	136	100,981	1,211,772	70,277	843,324							2,055,096	63,475
Non-LIHTC	0	0	0	0	0							0	0
Staff Units	4	0	0	0	0							0	3,200
TOTAL	**140**	**100,981**	**1,211,772**	**70,277**	**843,324**	**0**	**0**	**0**	**0**	**0**	**0**	**2,055,096**	**66,675**

MISCELLANEOUS INCOME	Per Unit Per Month	Monthly Total	Annual Total
Laundry / Vending	4.86	680	8,160
Other	0.00	0	0
Parking	0.00	0	0
TOTAL	**4.86**	**680**	**8,160**

SUBSIDIZED UNIT MIX SUMMARY						
Unit Type	Units With Section 8				Units Without Subsidy	Total Units
0BR	42				47	89
1BR	15				10	25
2BR	11				15	26
TOTAL	**68**	**0**	**0**	**0**	**72**	**140**

SCATTERED SITE UNIT MIX SUMMARY

LIHTC						Non-LIHTC					STAFF UNITS				
Unit Type	Venice Dell	0	0	0	0	Venice Dell	0	0	0	0	Venice Dell	0	0	0	0
0BR	89	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1BR	25	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2BR	22	0	0	0	0	0	0	0	0	0	4	0	0	0	0
TOTAL	**136**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**0**	**0**	**0**	**0**

TOTAL ALL TYPES					
Unit Type	Venice Dell	0	0	0	0
0BR	89	0	0	0	0
1BR	25	0	0	0	0
2BR	26	0	0	0	0
TOTAL	**140**	**0**	**0**	**0**	**0**

Venice Dell Community

Calculation of Tax Credits

Version: 1.04

	FEDERAL			CALIFORNIA		
	ACQUISITION	CONST/ REHAB	TOTAL	ACQUISITION	CONST/ REHAB	TOTAL
TOTAL ELIGIBLE COSTS	0	74,090,682	74,090,682	0	0	0
Less:						
50% Energy Investment Tax Credit (Res. Portion)	0	0	0	0	0	0
Non-Eligible Grants	0	0	0	0	0	0
ELIGIBLE BASIS	0	74,090,682	74,090,682	0	0	0
Threshold Basis Limit			*149,082,869*			
TBL: Exclude GP Cap/DDF for 4%/State			*0*			
REQUESTED UNADJUSTED ELIGIBLE BASIS (For Tiebreaker)	0	74,090,682	74,090,682	0	0	0
HIGH COST ADJUSTMENT (Y or N) Y *DDA 2021*	100.0%	130.0%		100.0%	100.0%	
ADJUSTED ELIGIBLE BASIS	0	96,317,886	96,317,886	0	0	0
APPLICABLE FRACTION*	100.0%	100.0%		100.0%	100.0%	
QUALIFIED CREDIT BASIS	0	96,317,886	96,317,886	0	0	0
CREDIT RATE (TCAC UNDERWRITING) Total State				13.00%	13.00%	
Annual Federal / Yr 1-3 State	4.00%	4.00%		4.00%	4.00%	
Yr 4 State				1.00%	1.00%	
MAX. POTENTIAL FEDERAL CREDIT (No Vol Basic Reduct/Actual Rate)						
Credit Rates	4.00%	4.00%				
Potential Credit	0	3,852,715	3,852,715			
Credit Rate Locked? *YES*						
Dec-21						
MAX. CREDIT AMOUNT PER TCAC UNDERWRITING						
Annual Federal / Yr 1 State	0	3,852,715	3,852,715	0	0	0
Yr 2 State				0	0	0
Yr 3 State				0	0	0
Yr 4 State				0	0	0
Total				0	0	0
REQUESTED TOTAL STATE CREDIT AMOUNT				N/A	N/A	N/A
ACTUAL TCAC CREDIT RESERVATION						
Annual Federal / Total State	N/A	N/A	N/A	N/A	N/A	N/A
MAXIMUM ALLOWABLE CREDITS (Lesser of above)						
Annual Federal / Total State	**0**	**3,852,715**	**3,852,715**			**0**
MAXIMUM ALLOWABLE - TEN YEAR TOTAL			**38,527,155**			**0**

Base Year Income & Expense

Version: 1.04

INCOME		
Scheduled Gross Income - Residential		1,211,772
Total Gross Subsidy Income - Section 8		843,324
Misc. Income		8,160
Vacancy Loss - Residential	5.0%	(60,997)
Vacancy Loss - Section 8	5.0%	(42,166)
EFFECTIVE GROSS INCOME		1,960,093
EXPENSES - RESIDENTIAL		
Administrative		
Advertising	900	
Legal	9,000	
Accounting/Audit	25,000	
Security	0	
Other: Misc. Admin	42,760	
Total Administrative		77,660
Management Fee		142,800
Utilities		
Gas	47,000	
Electricity	63,000	
Water/Sewer	94,000	
Total Utilities		204,000
Payroll/Payroll Taxes		
On-Site Manager/Office Admin	170,000	
Maintenance Payroll	100,000	
Payroll Taxes/Benefits	58,800	
Total Payroll/Payroll Taxes		328,800
Insurance		80,000
Maintenance		
Painting	18,000	
Repairs	35,000	
Trash Removal	45,000	
Exterminating	10,500	
Grounds	26,250	
Elevator	13,600	
Misc Supplies, Contracts	48,000	
Total Maintenance		196,350
Other		
Special Assessements	0	
Misc. Tax/License/SCEP	13,500	
Total Other		13,500
Resident Services		
Tenant Services	140,000	
Total Resident Services		140,000
Replacement Reserve		70,000
Real Estate Taxes		16,000
TOTAL EXPENSES - RESIDENTIAL		1,269,110
Per Unit Per Annum (incl. Reserves)	*9,065*	
Per Unit Per Annum (w/o taxes/res/svc))	*7,451*	
TCAC Minimum (w/o taxes/res/svc)	*4,700*	
TOTAL EXPENSES - COMMERCIAL		0
NET AVAILABLE INCOME		690,983
Less: Mandatory Annual HCD Payment (Grossed Up for DSCR Factor)	1.15	(148,589)
Less: Ground Lease - Minimum Payment		(1)
ADJUSTED NET AVAILABLE INCOME: TOTAL		542,394
ADJUSTED NET OF COMMERCIAL:		542,394
ADJUSTED NET AVAILABLE INCOME: NET OF OP SUBSIDY		(258,764)
Debt Service Coverage Ratio		1.15
AVAILABLE FOR DEBT SERVICE (NET OF OP SUBSIDY)		(225,012)
AVAILABLE FOR DEBT SERVICE (OP SUBSIDY OVERHANG)		696,659
NET AVAILABLE INCOME AFTER SENIOR DEBT SERVICE		**70,747**
NET AVAILABLE COMMERCIAL ONLY INCOME		**0**

Mortgage Calculation/Bond Ratios

Version: 1.04

Tax-Exempt Perm Loan

Uses baseline year NOI; includes annual fees
Financing Type: Tax-Exempt Perm Loan

	Underwriting Constraint	Maximum Loan Amount
Debt Service Coverage	1.15	5,488,868
Lender Commitment		NA
MAXIMUM MORTGAGE		**5,488,868**

Rate:	5.730%
Term (mths):	240
NOI for DS:	542,394
Max PMT @ DSCR:	471,647
Annual Fees:	9,961
Annual DS Payment:	461,685

INTEREST RATE STACK	TRANCHE A
Base Rate	4.4800%
Cushion	1.2500%
MIP	0.0000%
GNMA/Servicing	0.0000%
Issuer	0.1250%
Trustee	0.0565%
Rating	0.0000%
Remarketing	0.0000%
Rebate Analyst	0.0000%
TOTAL	5.9115%
DCR	1.15

BOND / REHABILITATION RATIOS

Tax-Exempt Financing Ratio

Series A Bonds	5,488,000
Series B Bonds	0
Short Term Bonds (Construction Loan Portior	39,632,000
TOTAL TAX-EXEMPT FINANCING	45,120,000
TOTAL BASIS + LAND ALLOCATION	82,037,720
Percent Tax-Exempt Financing	**55.00%**

CDLAC Allocation Limit *Effective Date Limits.* *6/1/20*

	Units	Per-Unit Limit	Total Limit
Studio and SRO	89	522,000	46,458,000
One BR	25	544,000	13,600,000
Two BR	26	580,500	15,093,000
Three BR	0	638,500	0
Four BR or More	0	671,500	0
		TOTAL	**75,151,000**
		Potential Bond Size	45,120,000
		Over/(Under)	-30,031,000

Lease-Up / Placed-in-Service Schedule

Version: 1.04

SCHEDULE

	Dates	Months to Milestone	Cumulative Months
Start of Construction	October 1, 2023	0	0
Completion	June 1, 2025	20	20
100% Occupancy	December 1, 2025	6	26
Conversion	April 1, 2026	4	30
Form(s) 8609	October 1, 2026	6	36

TCAC Calculations & Scoring

Version: 1.04

THRESHOLD BASIS LIMIT

County:	Los Angeles	TCAC Project #:	
9% or 4% credits:	4%	CDLAC Project #:	
Year:	2021		

Base Limits for Geographic Region

Unit Type	9%	4%
0 BR	327,289	327,289
1 BR	377,361	377,361
2 BR	455,200	455,200

Threshold Basis Limit for This Project

Unit Type	# Units	Per Unit Basis Limit	Total
0 BR	89	327,289	29,128,721
1 BR	25	377,361	9,434,025
2 BR	26	455,200	11,835,200
	140		50,397,946

Energy/Resource Efficiency Boosts

Renewables (50% tot./90% area)	0%
Renewables (75% CA/90% area)	0%
Title 24 + 15%	0%
Post-rehab improvement > 80%	0%
Greywater landscaping	0%
Community gardens > 60 s.f.	0%
Natural flooring kitchens	0%
Natural flooring common area	0%
EPA Indoor Air Plus Program met	0%
Subtotal Efficiency (Max 10%)	**0%**

Additional Basis Adjustments

Boost for Prevailing Wage	20.0%	
Boost for Project Labor Agreement	5.0%	
Boost for Parking beneath Units	10.0%	
Boost for Childcare	0.0%	
Boost for 100% Special Needs	0.0%	
Boost for elevator service	10.0%	
Boost for Type I construction	0.0%	
Boost for Type III construction	0.0%	
Subtotal Boost	**45.0%**	22,679,076
Boost for Energy / Resource Efficiency	0.0%	0
Toxic/Seismic Abatement Costs	0.0%	0
Local Development Impact Fees		408,928
High Opportunity Area	0%	0
BONDS: Boost for units ≤ 50% AMI (excl. CA credit project)	1.0%	25,198,973
BONDS: Boost for units ≤ 35% AMI (excl. CA credit project)	2.0%	50,397,946
Total Threshold Basis Limit		**149,082,869**
Potential Eligible Basis		74,090,682
Eligible Basis Surplus/(Deficit)		74,992,187

15-Year Cash Flow

Version: 1.04

Assumptions

Rent Increase: Residential Tenant Rents	2.00%	Rent Increase - Section 8	2.00%	Perm Loan - % Debt Svc Yr -1	0.0%
Rent Increase: Commercial Rents	2.00%			Perm Loan - % Debt Svc Yr 0	0.0%
Expenses Increase:	3.00%			Perm Loan - % Debt Svc Yr 1	0.0%
Reserve Increase:	0.00%			Perm Loan - % Debt Svc Yr 2	75.0%
				Perm Loan - % Debt Svc Yr 3	100.0%

		Credit Period Year:	*(1)* 2023	*0* 2024	*1* 2025	*2* 2026	*3* 2027	*4* 2028	*5* 2029	*6* 2030	*7* 2031	*8* 2032	*9* 2033	*10* 2034	*11* 2035	*12* 2036	*13* 2037	*14* 2038	*15* 2039	*16* 2040	*17* 2041
GROSS POTENTIAL INCOME - RESIDENTIAL			0	0	1,211,772	1,236,007	1,260,728	1,285,942	1,311,661	1,337,894	1,364,652	1,391,945	1,419,784	1,448,180	1,477,143	1,506,686	1,536,820	1,567,556	1,598,907	1,630,886	1,663,503
Incremental Income: Section 8			0	0	843,324	860,190	877,394	894,942	912,841	931,098	949,720	968,714	988,088	1,007,850	1,028,007	1,048,567	1,069,539	1,090,930	1,112,748	1,135,003	1,157,703
Misc. Income			0	0	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767	10,982	11,202
Vacancy Loss - Residential	5.0%		0	0	(60,997)	(62,217)	(63,461)	(64,730)	(66,025)	(67,345)	(68,692)	(70,066)	(71,467)	(72,897)	(74,355)	(75,842)	(77,358)	(78,906)	(80,484)	(82,093)	(83,735)
Vacancy Loss - Section 8	5.0%		0	0	(42,166)	(43,010)	(43,870)	(44,747)	(45,642)	(46,555)	(47,486)	(48,436)	(49,404)	(50,393)	(51,400)	(52,428)	(53,477)	(54,546)	(55,637)	(56,750)	(57,885)
GROSS EFFECTIVE INCOME			0	0	1,960,093	1,999,295	2,039,281	2,080,067	2,121,668	2,164,101	2,207,383	2,251,531	2,296,562	2,342,493	2,389,343	2,437,130	2,485,872	2,535,590	2,586,301	2,638,027	2,690,788
Operating Expenses w/ Standard Inflator	3.0%		0	0	1,183,110	1,218,603	1,255,161	1,292,816	1,331,601	1,371,549	1,412,695	1,455,076	1,498,728	1,543,690	1,590,001	1,637,701	1,686,832	1,737,437	1,789,560	1,843,247	1,898,544
Operating Expenses w/ Alternate Inflators:																					
Real Estate Taxes	*2.0%*		*0*	*0*	*16,000*	*16,320*	*16,646*	*16,979*	*17,319*	*17,665*	*18,019*	*18,379*	*18,747*	*19,121*	*19,504*	*19,894*	*20,292*	*20,698*	*21,112*	*21,534*	*21,965*
TOTAL EXPENSES			0	0	1,199,110	1,234,923	1,271,808	1,309,796	1,348,920	1,389,214	1,430,714	1,473,455	1,517,475	1,562,812	1,609,505	1,657,595	1,707,124	1,758,135	1,810,672	1,864,781	1,920,509
NET OPERATING INCOME			0	0	760,983	764,372	767,473	770,271	772,748	774,887	776,669	778,076	779,087	779,681	779,838	779,535	778,748	777,455	775,630	773,247	770,279
REPLACEMENT RESERVE		70,000	0	0	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Mandatory Annual HCD Payment		0.42%	0	0	0	96,906	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208
Ground Lease - Minimum Payment		1	0	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
NET REMAINING INCOME			0	0	690,982	597,465	568,265	571,062	573,540	575,679	577,461	578,867	579,878	580,473	580,629	580,326	579,540	578,246	576,421	574,038	571,071
PERM LOAN - TRANCHE A	Tax-Exempt Perm Loan																				
Principal Balance (Ending)		5,488,000	0	0	0	5,388,245	5,231,299	5,065,121	4,889,167	4,702,861	4,505,595	4,296,725	4,075,566	3,841,397	3,593,452	3,330,921	3,052,945	2,758,617	2,446,973	2,116,995	1,767,605
Annual Issuer Fee	2,500	0.125%	0	0	0	0	6,735	6,539	6,331	6,111	5,879	5,632	5,371	5,094	4,802	4,492	4,164	3,816	3,448	3,059	2,646
Trustee	3,100	0.000%	0	0	0	0	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Series A Bond P&I		461,613	0	0	0	307,742	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613
TOTAL SERIES A DEBT SERVICE			0	0	0	307,742	471,448	471,252	471,044	470,824	470,591	470,345	470,083	469,807	469,514	469,204	468,876	468,529	468,161	467,771	467,359
NET CASH FLOW			0	0	690,982	289,723	96,817	99,811	102,496	104,855	106,870	108,523	109,795	110,666	111,115	111,122	110,664	109,718	108,260	106,267	103,712
Debt Service Coverage Ratio (All Debt)			N/A	N/A	N/A	1.15	1.21	1.21	1.22	1.22	1.23	1.23	1.23	1.24	1.24	1.24	1.24	1.23	1.23	1.23	1.22

DISTRIBUTION OF CASH FLOW

			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
LP AMF	*Annual Amt:*	*5,000*	0	0	0	3,750	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093	8,377
	Inflator:	*3.50%*																			
DDF	*Annual Amt:*	*0*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	DDF Note Interest Rate:	*0.00%*																			
GP PMF	*Annual Amt:*	*20,000*	0	0	0	15,000	20,700	21,425	22,174	22,950	23,754	24,585	25,446	26,336	27,258	28,212	29,199	30,221	31,279	32,374	33,507
	Inflator:	*3.50%*																			
Residual Receipts Loans	*Total %*	*50.00%*																			
LAHD - AHMP		14.14%	0	0	0	19,154	5,015	5,162	5,286	5,384	5,455	5,499	5,513	5,495	5,446	5,362	5,242	5,085	4,889	4,651	4,370
HCD - MHP/VHHP/AHSC		69.03%	0	0	0	93,531	24,487	25,208	25,811	26,290	26,639	26,851	26,919	26,835	26,592	26,183	25,599	24,832	23,872	22,712	21,341
GP Loan (IIG)		16.83%	0	0	0	22,802	5,970	6,145	6,293	6,409	6,494	6,546	6,563	6,542	6,483	6,383	6,241	6,054	5,820	5,537	5,203
GP Loan (FHLB AHP)		0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LAHD Ground Lease Value		0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General Partner		90.00%	0	0	621,884	121,938	31,924	32,864	33,650	34,275	34,730	35,006	35,094	34,985	34,669	34,136	33,374	32,373	31,123	29,610	27,823
Limited Partner		10.00%	0	0	69,098	13,549	3,547	3,652	3,739	3,808	3,859	3,890	3,899	3,887	3,852	3,793	3,708	3,597	3,458	3,290	3,091

Venice Dell Community

Full First Year Cash Flow

1.04

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
REVENUE	**MULTIPLIER**	**YEAR 1**	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**	**YEAR 6**	**YEAR 7**	**YEAR 8**	**YEAR 9**	**YEAR 10**	**YEAR 11**	**YEAR 12**	**YEAR 13**	**YEAR 14**	**YEAR 15**
Gross Rent	1.020	1,211,772	1,236,007	1,260,728	1,285,942	1,311,661	1,337,894	1,364,652	1,391,945	1,419,784	1,448,180	1,477,143	1,506,686	1,536,820	1,567,556	1,598,907
Less Vacancy	5.00%	(60,589)	(61,800)	(63,036)	(64,297)	(65,583)	(66,895)	(68,233)	(69,597)	(70,989)	(72,409)	(73,857)	(75,334)	(76,841)	(78,378)	(79,945)
Rental Subsidy	1.020	843,324	860,190	877,394	894,942	912,841	931,098	949,720	968,714	988,088	1,007,850	1,028,007	1,048,567	1,069,539	1,090,930	1,112,748
Less Vacancy	5.00%	(42,166)	(43,010)	(43,870)	(44,747)	(45,642)	(46,555)	(47,486)	(48,436)	(49,404)	(50,393)	(51,400)	(52,428)	(53,477)	(54,546)	(55,637)
Miscellaneous Income	1.020	8,160	8,323	8,490	8,659	8,833	9,009	9,189	9,373	9,561	9,752	9,947	10,146	10,349	10,556	10,767
Less Vacancy	5.00%	(408)	(416)	(424)	(433)	(442)	(450)	(459)	(469)	(478)	(488)	(497)	(507)	(517)	(528)	(538)
Total Revenue		**1,960,093**	**1,999,295**	**2,039,281**	**2,080,067**	**2,121,668**	**2,164,101**	**2,207,383**	**2,251,531**	**2,296,562**	**2,342,493**	**2,389,343**	**2,437,130**	**2,485,872**	**2,535,590**	**2,586,301**
EXPENSES																
Operating Expenses:	1.030															
Administrative		77,660	79,990	82,389	84,861	87,407	90,029	92,730	95,512	98,377	101,329	104,369	107,500	110,725	114,046	117,468
Management		142,800	147,084	151,497	156,041	160,723	165,544	170,511	175,626	180,895	186,322	191,911	197,669	203,599	209,707	215,998
Utilities		204,000	210,120	216,424	222,916	229,604	236,492	243,587	250,894	258,421	266,174	274,159	282,384	290,855	299,581	308,568
Payroll & Payroll Taxes		328,800	338,664	348,824	359,289	370,067	381,169	392,604	404,383	416,514	429,009	441,880	455,136	468,790	482,854	497,340
Insurance		80,000	82,400	84,872	87,418	90,041	92,742	95,524	98,390	101,342	104,382	107,513	110,739	114,061	117,483	121,007
Maintenance		196,350	202,241	208,308	214,557	220,994	227,623	234,452	241,486	248,730	256,192	263,878	271,794	279,948	288,347	296,997
Other		13,500	13,905	14,322	14,752	15,194	15,650	16,120	16,603	17,101	17,614	18,143	18,687	19,248	19,825	20,420
Total Operating Expenses		**1,043,110**	**1,074,403**	**1,106,635**	**1,139,834**	**1,174,029**	**1,209,250**	**1,245,528**	**1,282,894**	**1,321,381**	**1,361,022**	**1,401,853**	**1,443,908**	**1,487,225**	**1,531,842**	**1,577,797**
Tenant Internet Expense*	1.030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Amenities	1.030	140,000	144,200	148,526	152,982	157,571	162,298	167,167	172,182	177,348	182,668	188,148	193,793	199,607	205,595	211,763
Replacement Reserve		70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Real Estate Taxes	1.020	16,000	16,320	16,646	16,979	17,319	17,665	18,019	18,379	18,747	19,121	19,504	19,894	20,292	20,698	21,112
Ground Lease - Minimum Payment	1.000	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Total Expenses		**1,269,111**	**1,304,924**	**1,341,809**	**1,379,797**	**1,418,921**	**1,459,215**	**1,500,715**	**1,543,456**	**1,587,476**	**1,632,813**	**1,679,506**	**1,727,596**	**1,777,125**	**1,828,136**	**1,880,673**
Cash Flow Prior to Debt Service		**690,982**	**694,371**	**697,472**	**700,270**	**702,747**	**704,886**	**706,668**	**708,075**	**709,086**	**709,680**	**709,837**	**709,534**	**708,747**	**707,454**	**705,629**
MUST PAY DEBT SERVICE																
Mandatory Annual HCD Payment		129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208	129,208
TOTAL PERMANENT LOAN DEBT SERVICE		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL SERIES A DEBT SERVICE		461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613	461,613
ISSUER & TRUSTEE FEES		9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835	9,835
TOTAL DEBT SERVICE		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Debt Service		**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**	**600,655**
Cash Flow After Debt Service		**90,327**	**93,715**	**96,817**	**99,615**	**102,092**	**104,231**	**106,013**	**107,420**	**108,430**	**109,025**	**109,182**	**108,878**	**108,092**	**106,799**	**104,973**

DISPOSITION AND DEVELOPMENT AGREEMENT

[Project Name]

by and among

CITY OF LOS ANGELES

(“City”),

and

[Developer]

a California limited partnership

(“Developer”)

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DISPOSITION AND DEVELOPMENTAGREEMENT

This Disposition and Development Agreement ("Agreement"), dated, for identification purposes only, as of ________________, 20__, is entered into by and among ________________, a [ORGANIZATION TYPE-i.e. California non-profit public benefit corporation] ("Developer"), and the CITY OF LOS ANGELES, acting by and through its Los Angeles Housing Department ("City" or "LAHD"). LAHD and Developer are sometimes individually referred to in this Agreement as "Party" and collectively referred to as "Parties."

ARTICLE 1. SUBJECT OF AGREEMENT.

1.1 Purpose of Agreement.

a. The purpose of this Agreement is to effectuate the disposition and development of certain real property commonly known [Address], and stabilize the neighborhood by providing, subject to all the terms and conditions of this Agreement, for the following: (i) the disposition of leasehold interest(s) in that certain real property currently owned in fee title by the City and located on the Site (defined below), to the Developer on the terms described in this Agreement and in the Ground Lease and related documents described below; and (ii) the redevelopment and operation of affordable housing on the Site as more particularly provided in this Agreement (the "Project"). The disposition, development, financing and use of the Site pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City of Los Angeles and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

b. The Developer will lease the Site for a Ninety Nine (99) year term and will pay rent to the City for a below Fair Market Value ("FMV") ground lease rent based on a Reuse Value Appraisal to be conducted prior to the execution of the Ground Lease, as follows:

(1) for the First Fifty Five (55) years of the Ground Lease ("Initial Term"), the Developer will pay the City a base annual ground lease payment of One Dollar ("Base Rent"), for the duration of the Initial Term, with an option by the Developer to prepay the rent for the full Initial Term rate at closing. Upon conclusion of the Initial Term, the Ground Lease may be extended for four (4) eleven-year terms, up to a maximum total lease term of Ninety Nine (99) years; and

(2) at the end of the Initial Term, Developer may extend the ground lease for up to four (4) 11-year term extentions. The City Rent will be reappraised and adjusted by

the City at the time of each extension, in compliance with the State Law requirements for long term leases; and

(3) there will be no annual residual ground lease rent charged; and

(4) City Ground Lease will not be subordinated to the construction and permanent debt lenders of the Project; and

(5) If the if the affordability restrictions are no longer in place, then the project will pay the full FMV lease payment.

c. It is the intention of the City and Developer that the Project shall develop new housing that will be operated and maintained as rental housing that will be affordable to and occupied by persons and families of Moderate, Low, Very-Low and Extremely Low Income, as more particularly described in this Agreement, below.

d. When completed, the Project will consist of [ENTER PROJECT INFO]

e. This Agreement is entered into for the purpose of redeveloping the Site and providing affordable housing and not for speculation in landholding. The City's conveyance of a leasehold interest in the Site to the Developer for the development of the Site pursuant to this Agreement is in the vital and best interests of the Project Area and the health, safety, morals and welfare of the residents therein, and is in accord with the public purposes and provisions of applicable state and local laws.

f. The City intends by this Agreement to cause the redevelopment of the Site to occur and to preserve and improve the community's supply of affordable housing for Moderate, Low and Very Low Income Households. The City would not have agreed to convey any interest to the Developer but for Developer's agreement to develop, use and maintain the Site in conformity with this Agreement and other related documents described below.

g. Each Party hereby acknowledges that it will obtain valuable benefits from this Agreement. The Parties further acknowledge that in entering into this Agreement, each Party is relying on the performance of the other Party.

(i) The City acknowledges that the development and use of the Project on the Site by Developer pursuant to the terms and conditions of this Agreement will further the purposes set forth in the California Redevelopment Law if applicable, and policies adopted by the City and the City Council by preserving and improving the community's supply of housing that is affordable to persons and families of low and moderate income helping to remedy the physical and economic conditions of blight (the "Project Area"), generating construction jobs in the development of the Project and permanent jobs in its operation, and encouraging further private investment that will benefit the entire Project Area.

(ii) Developer acknowledges that performance by the City of its obligations pursuant to the terms of this Agreement will provide to Developer and its principals significant and valuable financial benefits and that the City's performance of these obligations is in consideration of Developer's commitment to comply with the requirements of this Agreement and the ground lease for development, construction, operation and use of the Project on the Site. These benefits will include, but not be limited to: Developer's leasehold interest in the Site; Developer fees associated with the development of the Project; and property management fees associated with the long-term lease and management of the Project.

h. Except as otherwise explicitly set forth in this Agreement, in the Ground Lease, and/or in any documents evidencing the City financial assistance, if any, for this Project, the design, development, construction, and operation of the Project shall be at the sole cost and expense of the Developer.

1.2 <u>Definitions</u>.

Capitalized terms not otherwise defined in this Agreement shall have the following meanings:

"Affiliate" shall mean any person directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with Developer, which, in the case of a partnership, shall include, each of the constituent general partners thereof, and in the case of a limited liability company, each of the constituent members thereof. The term "control", as used in the immediately preceding sentence, means, with respect to a corporation, the right to exercise, directly or indirectly, fifty percent (50%) or more of the voting rights attributable to the shares of the controlled corporation and, with respect to a person that is not a corporation, the possession directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled person.

"Affordable Rent" shall have the appropriate meaning set forth in California Health and Safety Code Section 50053(b), which, as of the date hereof, means monthly rent, including a reasonable utility allowance, that does not exceed the following respective amounts (which are more particularly set forth in the <u>Income and Rent Limits</u> exhibit attached to the Regulatory Agreement (**Exhibit I** of Part I of Exhibits):

(a) for an Extremely Low Income Household, one-twelfth of the product of thirty percent (30%) times thirty percent (30%) of the Area Median Income adjusted for family size appropriate for the unit, (as that term is defined in California Health and Safety Code Section 50052.5), as determined by the California Department of Housing and Community Development ("HCD");

(b) for a Very Low Income Household, one-twelfth of the product of thirty percent (30%) times fifty percent (50%) of the Area Median Income adjusted for family size appropriate for the unit, as determined by HCD;

(c) for a Low Income Household, one-twelfth of the product of thirty percent (30%) times sixty percent (60%) of the Area Median Income adjusted for family size appropriate for the unit, as determined by HCD, which Developer may adjust upon each annual income verification and recertification for any Low Income Household with an annual income that exceeds sixty percent (60%) but does not exceed eighty percent (80%) of Area Median Income, to an amount that does not exceed thirty percent (30%) of the gross income of the Household; and

(d) for a Moderate Income Household, one-twelfth of the product of thirty percent (30%) times one hundred ten percent (110%) of the Area Median Income adjusted for family size appropriate for the unit as determined by HCD, which Developer may adjust upon each annual income verification and recertification for any Moderate Income Household with an annual income that exceeds one hundred ten percent (110%) but does not exceed one hundred twenty percent (120%) of Area Median Income, to an amount that does not exceed thirty percent (30%) of the gross income of the Household.

"Affordable Unit" shall mean any of the dwelling units in the Improvements required by this Agreement and/or the Regulatory Agreement to be rented exclusively to and occupied by an Extremely Low, Very Low, Low or Moderate Income Household.

"Agreement" shall mean this Disposition and Development Agreement, as the same may be amended from time to time.

"Area Median Income" shall have the meaning set forth therefor in California Health and Safety Code Section 50093, as it may be amended from time to time.

"Assignment of Agreements, Plans, Specifications and Entitlements" shall mean an instrument substantially in the form attached to this Agreement as **Exhibit G** of <u>Part I of Exhibits.</u>

"Building Permit" shall mean all building and grading permits required to be obtained from the City for the construction of the Improvements.

"Business Day" means a week day, and shall specifically exclude those days described in California Civil Code Section 7.1, as amended from time to time.

"Certificate of Completion" shall mean that certificate issued by the City to the Developer pursuant to Section 6.4 of this Agreement.

"City" shall mean the City of Los Angeles, California, a municipal corporation, operating through its governing body, the City Council, and it's various departments.

"City Development Documents" means, collectively, this Agreement, the Ground Lease, the Memorandum of Ground Lease, the Regulatory Agreement, the Notice of Affordability Restrictions, the City Leasehold Deed of Trust, if any, the Intercreditor Agreement (if any), the Assignment of Agreements, Plans, Specifications and Entitlements, and all other documents required to be executed by the Developer and/or the City in connection with the transactions contemplated by this Agreement, with all amendments and modifications thereto.

“City Leasehold Deed of Trust” shall mean the City Leasehold Deed of Trust securing any monetary obligations under this Agreement and the City Ground Lease and related documents, due to the City from the Developer.

“City Rent” shall mean a rent payable to the City by Developer:

(a) for the First Fifty Five (55) years of the Ground Lease (“Initial Term”), the Developer will pay the City a base annual ground lease payment of <u>One Dollar</u> (“Base Rent”), for the duration of the Initial Term. Upon conclusion of the Initial Term, the Ground Lease may be extended for four (4) eleven-year terms, up to a maximum total lease term of Ninety Nine (99) years; and

(b) at the end of the Initial Term, Developer may extend the ground lease for the first <u>one (1) 11-year</u> term without change in the City Rent if the Regulatory Agreement, in the form attached hereto as Exhibit I, is in effect without an increase in the maximum applicable affordable rent restrictions for the Project. Should there be an increase in the maximum applicable affordable rent restrictions for the Project pursuant to the Regulatory Agreement: (1) Developer will pay the City a revised City Rent in the amount of the FMV of the “As-Is” leasehold interest in the Site based on an appraisal conducted within six months of the lease renewal date prepared by a City approved real estate appraiser (“Extension Base Rent”); (2) City Ground Lease will not be subordinated to the construction and permanent debt lenders of the Project; and (3) if the affordability restrictions are no longer in place, then the project will pay the full FMV lease payment.

“Community Outreach Plan” shall mean the plan described in Section 6.13.c. of this Agreement.

“Completion” shall mean completion of construction of the Improvements as required by all the requirements of this Agreement.

“Construction Lender” shall mean the maker of the Construction Loan.

“Construction Loan” shall mean a loan secured by a Construction Loan Deed of Trust and made by a third party to Developer to finance certain development costs of the Project during the construction phase of the Project.

“Construction Loan Deed of Trust” shall mean any deed of trust recorded against the Site securing a Construction Loan.

“Construction/Permanent Loan” shall mean a loan that is both a Construction Loan and Permanent Loan.

“Construction/Permanent Loan Deed of Trust” shall mean any deed of trust recorded against the Site securing a Construction/Permanent Loan.

“Developer” shall mean [Developer], a California limited liability company, or any permitted Transferee or successor in interest approved by the City in accordance with Article 7 of this Agreement.

“Development Costs” shall mean any properly documented costs incurred by Developer in connection with the ground lease of the Site and the entitlement, design, financing and construction of the Project, as set forth in the Project Budget and Financing Plan.

"Effective Date" shall mean the date, after this Agreement is initially executed by Developer and approved by the City, that this Agreement is executed by the LAHD General Manager or designee, and/or City Clerk, which date shall be the latest date set forth on the signature page(s) of this Agreement.

“Eligible Household” shall mean, as applicable to this Agreement, a household with income level not exceeding the maximum income level as established in the Regulatory Agreement and is otherwise eligible to rent an Affordable Unit.

"Encumbrance" shall mean and include any mortgage, deed of trust, lease, lien, easement, restrictive covenant or regulatory agreement or other security interest recorded against title to the Site.

"Environmental Laws" shall mean all federal, state and local laws, ordinances and regulations relating to industrial hygiene, environmental protection or the use, analysis, generation, manufacture, storage, release, disposal or transportation of Hazardous Substances.

"Event of Default" shall have the meaning set forth in Section 10.1 of this Agreement.

"Exceptions" shall mean all exceptions, reservations, liens, encumbrances, qualifications, covenants, conditions, restrictions, leases, easements, rights of way, or other like matters affecting the Site, and all matters or states of facts reflected on or arising out of any tentative or final parcel map for the Site, or concerning or related to zoning, subdivision, permitted use or physical condition of the Site, or arising from the redevelopment, development or related activities of Developer.

"Extension Base Rent" shall mean a revised City Rent in the amount of the FMV of the "As-Is" leasehold interest in the Site based on an appraisal conducted within six months of the lease renewal date prepared by a City approved real estate appraiser if, and only if, there is an increase in the maximum applicable affordable rent restrictions for the Project pursuant to the Regulatory Agreement: the City ("Extension Base Rent").

"Extremely Low Income Households" shall have the meaning set forth therefor in California Health and Safety Code Section 50106, as it may be amended from time to time.

"Financing Plan" shall mean the plan described in Section 3.2.b. of this Agreement.

"General Contractor" shall mean the licensed contractor or firm selected by Developer with overall responsibility for construction of the Project.

"Governmental Restrictions" shall mean and include any and all laws, statutes, ordinances, codes, rules, regulations, writs, injunctions, orders, decrees, rulings, conditions of approval, or authorization, now in force or which may hereafter be in force, of any governmental entity, agency or political subdivision.

"Ground Lease" shall mean that certain 99-year ground lease with respect to the Site to be entered into between the City, as ground lessor, and Developer, as ground lessee, subject to and as contemplated in this Agreement, as it may be amended to the extent permitted by applicable City and State laws (as determined prior to entry into the Ground Lease). A Form of the Ground Lease is attached to this Agreement as Exhibit L of Part 1 of Exhibits.

"Hazardous Materials" shall mean: (i) any chemical, compound, material, mixture or substance that is now or may later be defined or listed in, or otherwise classified pursuant to, any Hazardous Materials Law as a "hazardous substance", "hazardous waste", "extremely hazardous waste", acutely hazardous waste", radioactive waste", infectious waste", biohazardous waste", "toxic substance", "pollutant", "toxic pollutant", "contaminant", as well as any formulation not mentioned herein intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, “EP” toxicity, or “TCLP toxicity”; (ii) petroleum, natural gas, natural gas liquids, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas) and ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; (iii) “hazardous substance” as defined in Section 25281 of the California Health and Safety Code; (iv) “waste” as defined in Section 13050(d) of the California Water Code; (v) asbestos in any form; (vi) urea formaldehyde foam insulation; (vii) transforms or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls (PCBs) in excess of fifty (50) parts per million; (viii) radon; and (ix) any other chemical, material, or substance that, because of its quantity, concentration, or physical or chemical characteristics, exposure to which is now or hereafter limited or regulated for health and safety reasons by any governmental authority, or which poses or is later determined to pose a significant present or potential hazard to human health and safety or to the environment if released into the workplace or the environment. The term "Hazardous Materials" shall not include: construction materials, gardening materials, household products, office supply products or janitorial supply products customarily used in the construction, maintenance, rehabilitation, or management of residential property, or commonly used or sold by hardware, home improvement stores, or medical clinics and which are used and stored in accordance with all applicable Hazardous Materials Laws.

“Hazardous Materials Laws” means all present and future federal, state and local laws, ordinances, regulations, permits, guidance documents, policies, decrees, orders and any other requirements, whether statutory, regulatory or contractual, of governmental authorities relating to health, safety, the environment or the use, handling, disposal or transportation of any Hazardous Materials (including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation Recovery Act, the Clean Water Act, the Clean Air Act, and the applicable provisions of the California Health and Safety Code and the California Water Code, as each such statute may from time to time be amended, and the rules, regulations and guidance documents promulgated pursuant to any such statute).

“HCD” shall mean the California Department of Housing and Community Development.

“Housing Design Guidelines” shall mean the City’s Residential Citywide Design Guidelines, substantially in the form included in Part II of Exhibits, receipt of which is hereby acknowledged.

“HUD Requirements” shall mean the requirements, to the extent applicable, listed in the form included as **Exhibit K** of Part I of Exhibits, receipt of which is hereby acknowledged.

"Improvements" shall mean and include all demolition, site preparation and grading, as well as all buildings, structures, fixtures, excavation, parking, landscaping, and other work, construction, rehabilitation, alterations and improvements of whatsoever character to be constructed or performed by Developer on, around, under or over the Site pursuant to this Agreement.

"Intercreditor Agreement" shall mean an agreement by and among LAHD, Developer, and/or other parties, as applicable, in form and substance that is acceptable to the City or its designee and that addresses, among other things, the disbursement of loan proceeds by the Lender(s) and gives the City the right to review and comment on disbursements by the other Lender(s), as it may be and to extent provided therein.

"Investor Member/Limited Partner Capital Contribution" shall mean funds provided to Developer by the Tax Credit Equity Investor in consideration of the Low Income Tax Credit and Historic Rehabilitation Tax Credit.

"LAHD" shall mean the City of Los Angeles, acting by and through its Los Angeles Housing Department of the City.

"Losses and Liabilities" shall mean and include all claims, writs, demands, causes of action, liabilities, losses, damages, judgments, injuries, expenses (including, without limitation, attorneys' fees and costs incurred by the indemnified party with respect to legal counsel of reasonably acceptable to it) charges, penalties or costs of whatsoever character, nature and kind, whether to property or to person, and whether by direct or derivative action, known or unknown, suspected or unsuspected, latent or patent, existing or contingent.

"Low or Moderate Income Households" shall have the same meaning as the term "persons and families of low or moderate income" set forth in California Health and Safety Code Section 50093, as it may be amended from time to time.

"Low Income Households" shall have the same meaning as the term "Lower income households" set forth in California Health and Safety Code Section 50079.5, as it may be amended from time to time.

"Low Income Housing Tax Credit" shall mean the tax credit authorized by the Tax Reform Act of 1986 and governed by Section 42 of the Internal Revenue Code.

"Management Plan" shall mean a plan as described in Section 7.5.a. of this Agreement.

"Moderate Income Households" shall have the same meaning as the term "persons and families of low or moderate income" set forth in California Health and Safety Code Section 50093, as it may be amended from time to time.

"Notice of Affordability Restrictions" shall mean, if applicable to the Project, the Notice of Affordability Restrictions on Transfer of Property to be recorded against the Site, substantially in the form attached to this Agreement as **Exhibit J** of Part I of Exhibits.

"Ownership and/or Control" shall mean, without limitation, a majority of voting rights and beneficial ownership with respect to all classes of stock in a corporation or controlling interests in partnerships or limited liability companies, and/or beneficial interests under a trust, as may be applicable to the type of entity in question. In the case of a trust, such term shall also include the rights of the trustee as well as the beneficiary.

"Parties" shall mean the City, LAHD and the Developer, collectively, and "Party" shall mean either the City, LAHD or the Developer.

"Permanent Lender" shall mean the maker of the Permanent Loan.

"Permanent Loan" shall mean the loan secured by a Permanent Loan Deed of Trust and made by a third party to Developer to finance certain development costs of the Project after construction completion and stabilization of occupancy of the Project.

"Permanent Loan Deed of Trust" shall mean any deed of trust recorded against the Site securing a Permanent Loan.

"Permitted Lender" shall mean the holder of any Security Financing Interest authorized by this Agreement and identified in the Project Budget or Financing Plan.

"Permitted Loan" shall mean any loan secured by a Security Financing Interest authorized by this Agreement and identified in the Project Budget.

"Permitted Transfer" means any of the following, provided Developer or a general partner or managing member, as the case may be, of Developer retains day-to-day control over management and operations of the Site and the Improvements other than as provided in (a) and (g) below:

a. A conveyance of a security interest in the Site in connection with any Permitted Loan and any subsequent transfer of leasehold title by foreclosure, deed or other conveyance in lieu of foreclosure in connection therewith;

b. A conveyance of leasehold interest in the Site or other Transfer by Developer to a limited partnership or limited liability company in which

Developer is managing general partner or managing member, as the case may be, and the Tax Credit Equity Investor is a limited partner or member, as the case may be, or to any other Affiliate, or a conveyance back from such entity to Developer;

c. The inclusion of equity participation by Developer by addition of members to Developer's limited liability company, limited partners to Developer's limited partnership, or similar mechanisms;

d. The sale of non-managing membership or limited partnership interests to any Affiliate of the Tax Credit Investor;

e. The lease for occupancy of all or any part of the Improvements on the Site;

f. The granting of easements or permits to facilitate the development of the Site in accordance with this Agreement;

g. In addition, the withdrawal, removal and/or replacement of any managing member of Developer's limited liability company or general partner of Developer's partnership, as the case may be, pursuant to the terms of the Developer's LLC Agreement or partnership agreement, as the case may be, shall not constitute a default under this Agreement or any of the City Development Documents, provided that any required substitute member or general partner, as the case may be, is reasonably acceptable to the City and is selected with reasonable promptness;

h. Any other transfer approved in writing by the City or its designee, at its sole discretion;

"Person" means an individual, corporation, partnership, Limited Liability Company, joint venture, association, firm, Joint Stock Company, trust, unincorporated association or other entity.

"Project" shall mean Developer's lease of the Site and the development of the Improvements on the Site as required by this Agreement and the Scope of Development.

"Project Architect" shall mean the licensed architect or firm of architects selected by Developer with overall responsibility for the design of the Project.

"Project Budget" means the preliminary estimate of sources and uses of funds necessary to develop the Project attached to this Agreement as **Exhibit E** of Part I of Exhibits.

"Project Documents" shall mean and include such preliminary and Final Construction Drawings and specifications, grading plans, landscape plans, site development plans, plot plans, off-site improvement plans, architectural renderings and elevations, material specifications, parking plans and other plans and documents as are required to be submitted to LAHD pursuant to Article 5 of this Agreement or any applicable Governmental Restrictions.

"Redevelopment Plan" shall mean the "Redevelopment Plan for the Redevelopment Project Area in which the project is located" adopted by Ordinance of the City Council of the City of Los Angeles, as amended from time-to-time.

"Regulatory Agreement" shall mean the Regulatory Agreement to be entered into by the City and Developer and recorded against the Site, in the form attached to this Agreement as **Exhibit I** of Part I of Exhibits.

"Residual Receipts" [intentionally omitted].

"Residual Receipts Lease" [intentionally omitted].

"Schedule of Performance" shall mean the Schedule of Performance including project's Milestones, attached to this Agreement as **Exhibit C** of Part I of Exhibits, which is incorporated herein by this reference. The Schedule of Performance is subject to revision from time to time as mutually agreed upon in writing between the Developer and the City or its designee.

"Scope of Development" shall mean the Scope of Development attached to this Agreement as **Exhibit D** of Part I of Exhibits, which is incorporated herein by this reference.

"Security Financing Interests" shall have the meaning set forth in Section 9.1.b. of this Agreement.

"Site" shall mean that certain real property consisting of City sites: at ____________________________ depicted on the Site Map attached to this Agreement as **Exhibit A** of Part I of Exhibits and more particularly described by the Legal Description attached to this Agreement as **Exhibit B** of Part I of Exhibits.

"Soft Lenders" shall mean lenders, such as governmental agencies, that provide financial assistance to the project on a residual receipts basis with loan terms favorable to the developer. Soft lenders may include, but are not limited to, the Housing & Community Investment Department (LAHD) which administers the Affordable Housing Trust Fund and Measure HHH, the LA County Community Development Commission (LACDC) which administers the LA County Multi-family Rental Housing Program and the Housing & Commuunity Development Department of California (HCD) which administers the Affordable Housing & Sustainable Communities Program and other affordable housing subsidy programs.

"Statutory Request for Notice of Default" shall mean an instrument substantially in the form attached to this Agreement as **Exhibit H** of Part I of Exhibits

"Tax Credit Equity Investor" shall mean any Person who will be an investor member in Developer's limited liability company or investor limited partner in Developer's partnership, as the case may be, and who will purchase the Low Income Housing Tax Credit and Historic Preservation Tax Credit and own not less than a 99% interest in Developer.

"[Project Name] " shall mean that certain real property, owned by the City of Los Angeles, located at [Address] depicted on the Site Map attached to this Agreement as **Exhibit A** of Part I of Exhibits and more particularly described by the Legal Description attached to this Agreement as **Exhibit B** of Part I of Exhibits.

"Third Party Lender" shall mean the maker of any Loan or beneficiary of any Loan deed of trust, except for the City.

"Third Party Loan" shall mean the Construction Loan, Permanent Loan, Construction/Permanent Loan (if any), and/or any other loan, credit enhancement or construction period guaranty facility that is secured by a deed of trust or other instrument.

"Title Company" shall mean ____________________________________or such other title insurance company as may be approved by the City.

"Total Development Costs" shall mean the total cost to Developer of acquiring the Site and designing, entitling, financing and constructing the Project thereon, as set forth in the Project Budget and Financing Plan.

"Transfer" shall mean and include any voluntary or involuntary transfer, sale, assignment, lease, sublease, license, franchise, concession, operating agreement, gift, hypothecation, mortgage, pledge or encumbrance, or the like, of all or any portion of the Site, any rights or obligations of the Developer under this Agreement, or any interest in the Developer, to any person or entity ("Transferee").

"Very Low Income Households" shall have the meaning set forth therefor in California Health and Safety Code Section 50105, as it may be amended from time to time.

1.3 Exhibits.

The following is a list of the exhibits applicable to this Agreement. The exhibits constituting Part I are attached to this Agreement. The exhibits constituting Part II are Standard City Contracting Requirements which are set forth in a separate document, the receipt of which is hereby acknowledged by Developer. All of the exhibits are hereby incorporated by this reference as though fully set forth herein.

a. Part I of Exhibits:

A. Site Map
B. Legal Description
C. Schedule of Performance and Milestones
D. Scope of Development
E. Project Budget
F. [Intentionally omitted]
G. Form of Assignment of Agreements, Plans, Specifications and Entitlements
H. Form of Statutory Request for Notice
I. Form of Regulatory Agreement
J. Form of Notice of Affordability Restrictions [intentionally omitted]
K. HUD Requirements
L. Form of Ground Lease

b. Part II of Exhibits (Standard City Contracting Requirements):

1. City of Los Angeles Requirements
2. ADA Covenants
3. Mayoral Directive
4. City Insurance Requirements

ARTICLE 2. PARTIES TO THE AGREEMENT.

2.1 City of Los Angeles.

The City of Los Angeles is a municipal corporation, acting by and through the Los Angeles Housing Department. The address of LAHD for the purposes of receiving notice pursuant to this Agreement is:

Los Angeles Housing Department
1200 W. 7th Street, Suite 900
Los Angeles, CA 90017
Attention: General Manager

With a copy to:

Los Angeles Housing Department
Asset Management Division
1200 W. 7th Street, Suite 900
Los Angeles,CA 90017
Attention: Asset Manager

The term “LAHD” includes any assignee or successor to LAHD’s rights, powers and responsibilities under this agreement.

2.2 Developer.

Developer is ______________________, a California limited partnership. The address of Developer for purposes of receiving notice pursuant to this Agreement is:

[DEVELOPER/ADDRESS]

Attention: Name, Title

With a copy to:

____
____
____
Attention: ________________________

The term "Developer" as used herein includes any authorized and approved Transferee of Developer as permitted in accordance with Article 8 of this Agreement. All of the terms, covenants, and conditions of this Agreement shall be binding on such Transferees, successors and assigns of Developer.

2.3 No Joint Venture.

The City and Developer are not and shall not be deemed to be partners, co-venturers, joint ventures or in any other way related to one another, nor shall either party have any fiduciary, confidential or agency relationship with the other. Nothing contained in this Lease will be deemed or construed by the Parties or by any third person or court to create the relationship of principal and agent or of partnership or of joint venture or of any association between the City and Lessee, and neither the method of computation of Rent nor any other provisions contained in this Lease nor any acts of the parties will be deemed to create any relationship between the City and Lessee, other than the relationship of lessor and lessee.

ARTICLE 3. DISPOSITION OF SITE.

3.1 Conditions Precedent to Close of Escrow.

Subject to the terms and conditions of this Agreement, the City shall execute and deliver the Ground Lease to the Site to Developer for redevelopment and the provision of affordable housing. The City shall not be obligated to convey title to the Site to Developer, and the Close of Escrow shall not occur, if an Event of Default has occurred and has not been cured within the applicable cure period, if any. The Close of Escrow is further conditioned upon the timely satisfaction of each of the following conditions (the "Conditions Precedent"), not later than the time provided in the Ground Lease Schedule of Performance for the Closing Date (as such date may be extended in accordance with the terms of this Agreement). It shall be Developer's obligation to cause all of the Conditions Precedent to be satisfied in a timely fashion, as provided in this Agreement, and to provide written documentation sufficient for the LAHD General Manager or designee to determine compliance, not later than ten (10) Business Days prior to the scheduled Closing Date (unless a different time is provided in this Agreement). The City shall have the right to approve or disapprove any submittal. Any approval or disapproval shall be in writing. Any disapproval shall contain an explanation of the reason(s) for disapproval. Developer shall have eight (8) Business Days after any disapproval to submit additional or corrected documentation. Failure by the City to approve or disapprove any submittal in writing within ten (10) Business Days of receipt shall be deemed a disapproval. The City shall have the right to terminate this Agreement in the event of a failure of any Condition Precedent within the respective time specified for the satisfaction of such condition in this Agreement, but in any event not later than the time provided in the Schedule of Performance for the scheduled Closing Date. Unless expressly provided otherwise, each of the following conditions is for the exclusive benefit of the City.

(i) Developer's Certificate. Developer shall certify to the City in writing that (i) all information provided by Developer to the City in connection with this Agreement remains true and correct in all material respects; and (ii) Developer is in full compliance with the terms of this Agreement and there exists no Event of Default pursuant to this Agreement, nor has any act, omission or condition occurred that, with the giving of notice, would constitute an Event of Default pursuant to this Agreement;

(ii) Opinion of Developer's Counsel. Developer shall deliver to the City a written opinion in a form acceptable to the City, to be signed by counsel to Developer on the Closing Date, with respect to: (i) the legality, validity and binding effect of this Agreement and its enforceability against Developer in accordance with its terms; (ii) the absence of any litigation or other proceedings, either pending or threatened, which could have a material adverse effect on the ability of Developer to perform pursuant to this Agreement; and (iii) such other standard and customary matters for legal opinions to be given by Developer's counsel in real estate secured financing transactions as reasonably requested by LAHD. The opinion of Developer's counsel shall disclose whether any consent, approval or other authorization, regulation, declaration or filing with any court or other governmental agency or commission or other public entity is required for the due execution and delivery of this Agreement and City Development Documents pursuant to this Agreement;

(iii) Developer's Formation Documents. Developer shall deliver to LAHD documentation relating to the status of Developer's corporate, partnership, limited liability or other similar entity, and those of any general partners or managing members of Developer, including, without limitation and as applicable, the following: limited partnership agreements and any amendments thereto; articles of incorporation; limited liability company articles of incorporation (LLC-1); statement of information and operating agreement (including any amendments thereto); copies of all resolutions or other necessary actions taken by such entity to authorize the execution of this Agreement and related documents; and a certificate of status issued by the California Secretary of State;

(iv) Title. The Title Company shall confirm in writing that all conditions precedent to the Close of Escrow for Developer to take leasehold title to the Site, other than the payment of the City Rent, shall have been satisfied;

(v) Appraisal or Other Determination of Value. The City shall have determined, in their sole discretion, that the City Rent payable by Developer for the Site is acceptable;

(vi) Site Conditions. The City and Developer shall determine that no adverse Site conditions exist that may interfere with the development of the Site as provided in this Agreement, or, if such Site conditions exist, that they are being addressed to the satisfaction of the City. This condition is for the benefit of the City and Developer;

(vii) Title Insurance Policy. The City shall have received written confirmation from the Title Company that the Title Company is committed to issue to the City, upon the Close of Escrow, without cost to the City, a Title Insurance Policy (without deletions), together with such endorsements as the City may request. This condition is for the benefit of the City and Developer;

(viii) Evidence of Insurance. Developer shall have submitted to the City evidence of the Insurance Policies required by Section 7.10 of this Agreement. The City shall be named as loss payee or additional insured on all policies, as applicable. Developer shall ensure that all worker compensation insurance policies carried by the General Contractor and subcontractors working on the Project include a waiver of subrogation in favor of the City.

(ix) Project Budget. As a condition precedent to the Close of Escrow, the acceptance of the ground lease, Developer shall deliver to the City a certification in writing that the Project Budget remains in effect as of such date, or Developer shall have delivered to the City a proposed revision to the Project Budget, demonstrating to the reasonable satisfaction of the LAHD General Manager or designee the availability of sufficient funds to pay all Total Development Costs.

(x) Financing Plan. Developer shall have submitted and the City shall have approved a Financing Plan for the Project, meeting the requirements of Section 3.2.b. of this Agreement.

(xi) Closing Cost Statement. The City and Developer shall have received an estimated closing cost statement of costs from the Escrow Agent. This condition shall be for the benefit of the City and Developer;

(xii) Recording Instructions. Developer and the City shall have executed and delivered to the Escrow Agent mutually agreed-upon and irrevocable supplemental escrow and recording instructions authorizing the Escrow Agent to record and/or deliver the closing documents listed below, which escrow instructions shall also state that the Memorandum of Ground Lease and related documents shall be recorded only upon satisfaction of the Conditions Precedent, and the Escrow Agent shall have approved such supplemental escrow and recording instructions as may have been prepared on behalf of the City and Developer; and

(xiii) Documents. Not later than two (2) Business Days prior to the Close of Escrow, the City, Developer and/or other parties, as appropriate, shall have executed the following documents and delivered them to the Escrow Agent, for recording and distribution, as appropriate, upon the Close of Escrow:

(i) Ground Lease (to be signed by the City and consented to by Developer before or concurrently with the Close of Escrow). This condition shall be for the benefit of the City and Developer;

(ii) City Memorandum of Ground Lease (to be signed by Developer and the City and recorded concurrently with the Close of Escrow);

(iii) Regulatory Agreement (to be signed by Developer and the City and recorded concurrently with the Close of Escrow);

(iv) Notice of Affordability Restrictions on Transfer of Property (to be signed by the City and Developer and recorded concurrently with the Close of Escrow);

(v) Assignment of Agreements, Plans, Specifications and Entitlements (to be signed by Developer, Project architect and contractor, as applicable, and retained by the City);

(vi) Intercreditor Agreement(s), if any (to be signed by the City, Developer and any other lender(s) party to such agreement); and

(vii) Statutory Request for Notice under Section 2924b of the Civil Code (to be signed by the City and recorded upon the Close of Escrow).

3.2 Financing for the Project.

a. Project Budget. The Parties estimate that the Total Development Costs will be as set forth in the Project Budget. The initial Project Budget is attached to this Agreement as **Exhibit E** to Part I of Exhibits. The Parties acknowledge that the Project Budget shall serve as a guide for preparation of a more detailed Financing Plan. From time to time after the execution of this Agreement and through completion of construction, the Project Budget shall be subject to one or more amendments (each such amendment referred to as a "Revision" in this Agreement). Any Revision shall be subject to the approval of the LAHD General Manager or designee. The LAHD General Manager or designee is authorized to approve, and shall not unreasonably withhold approval of, any requested Revision for which the Third Party Lender's approval is not required under the terms of the Third Party Loan documents, or which has been approved by the Third Party Lender, if, within five (5) Business Days after receipt of the request, the City receives such explanation and/or back-up information as was received and relied upon by the Third Party Lender in connection with its approval of the Revision, and if the following conditions are satisfied:

(i) the Revision is limited to a reallocation of budgeted funds among Project Budget line items without any increase in the total Project Budget and the funds in the line item(s) to be reduced remain sufficient for completion of the Project and the requested increase in one or more line item(s) is to be used to pay approved costs, or the Revision involves an increase in the Total Development Costs, not to exceed fifteen percent (15%) of the Total Development Costs, and additional funds in an amount equal to the increase in the total Project Budget will be provided by Developer or a lender, and the requested increase in the Project Budget is to be used to pay approved costs.

(ii) the Revision does not increase the amount of any City loan;

(iii) the Revision does not result in a material change to the design of the Project, other than as approved by the City in writing;

(iv) the Revision does not materially adversely affect the economic feasibility of the Project; and

(v) the Revision does not materially adversely affect the City Rent or any leasehold security.

Upon approval of any Revision, the Project Budget shall be replaced by the approved revised Project Budget and this Agreement shall be deemed amended to reflect such revised Project Budget.

Financing Plan. Not later than twenty (20) Business Days prior to the scheduled Closing Date, Developer shall submit to LAHD a proposed Financing Plan, consisting of the following: (1) a ten-year cash flow projection for operation of the Project; (2) a current Project Budget, updated on the basis of approved permits and entitlements and any design requirements of any Governmental Agency; (3) a "sources and uses" table, identifying the proposed use of each source of funding for the Project during the construction period; (4) if applicable, evidence reasonably satisfactory to the LAHD General Manager or designee that Developer has sufficient additional funds available and committed to cover the difference, if any, between the Total Development Costs and all funds committed to financing the Total Development Costs (as provided in Section 3.2.c., below). LAHD shall approve or disapprove in writing the proposed Financing Plan within ten (10) Business Days of receipt. Failure of LAHD to approve or disapprove the Financing Plan within ten (10) Business Days of receipt shall be deemed a disapproval.

c. Evidence of Financing. The Developer must demonstrate evidence of financing within 24 months of the date of execution of this Agreement. LAHD acknowledges that the Financing Plan is predicated on funding applications to the State, County and other funders for funds that may or may not be awarded through a competitive selection process. Therefore, LAHD agrees that the Developer may apply for competitively awarded funding awards more than once. However, if the Developer fails to apply for or be awarded a source of funding identified in the Financing Plan after two rounds of funding applications, and cannot provide evidence of sufficient financing, LAHD may terminate this development agreement.

The sum of the sources of construction financing described in the Project Budget shall be sufficient at all times to pay all Total Development Costs as set forth in the most recently approved Project Budget. If at any time prior to the issuance of the Certificate of Completion, the sum of the sources of funds described in the Project Budget is insufficient to pay all Total Development Costs, Developer shall promptly deposit into the construction fund held by the Construction Lender additional Developer's funds at least equal to the shortfall. Not later than twenty (20) Business Days prior to the scheduled Closing Date, Developer shall submit, for approval by the LAHD General Manager or designee, evidence of such financing (as part of the Financing Plan), including substantially complete drafts of Construction Loan documents (as required by Section 4.4(1)(a) of this Agreement). The LAHD General Manager or designee shall not unreasonably withhold his or her approval.

3.3 Site Control Fees.

Prior to the execution of this Agreement by the City and the Developer, the Developer shall have submitted to the City a refundable site control fee in the sum of [Fifty Thousand Dollars ($50,000) (the "Site Fee" or "Project Commitment Deposit") to ensure that the Developer will proceed diligently and in good faith to develop the Site as required by this Agreement.

INITIALED BY DEVELOPER: __________________

INITIALED BY LAHD: _________________________

3.4 Ground Lease.

Prior to the date set forth in the Schedule of Performance, the parties shall have agreed upon the form of the Ground Lease.

Provided the conditions precedent in Section 3.1 of this Agreement have been satisfied, upon the terms, covenants and conditions set forth in this Agreement, the City agrees to lease and convey the leasehold interest in the Site to Developer, and Developer agrees to lease and accept the leasehold interest in the Site from the City and to pay City Rent, in accordance with this Agreement and the Ground Lease. Until the issuance of the Certificate of Completion, the City's conveyance of leasehold shall be subject to a power of termination (as described in Section 10.9 of this Agreement), to ensure the completion of the redevelopment of the Site for the purpose of providing affordable housing as provided in this Agreement.

As a condition to the Close of Escrow, the parties shall have executed and delivered into escrow for delivery upon Close of Escrow, such agreed form of Ground Lease and a memorandum thereof for recordation upon Close of Escrow.

3.5 City Rent.

The applicable City Rent shall be paid by Developer to the City on the Closing Date through the Escrow Agent, together with such additional amounts as is necessary to cover Developer's share of costs and expenses hereunder.

3.6 Condition of the Site.

a. Due Diligence. The City makes no representations regarding the condition of the Site. The Parties hereby acknowledge that prior to the execution of this Agreement, Developer used the opportunity provided by the City to conduct any studies and investigations that Developer deemed necessary to assure itself of the physical condition of the Site and the suitability of the Site for the development contemplated by this Agreement. Developer shall have the right, without cost or expense to the City, to engage its own environmental consultant and any other consultants to conduct such additional studies and investigations of the Site as it deems necessary, including any Phase I and/or Phase II environmental investigations, soils, geotechnical or other testing of the Site, subject to the execution of a “Right of Entry” agreement in LAHD’s customary form. The City shall disclose to Developer any actual knowledge of Hazardous Materials or other physical defects on the Site which occur at any time prior to the Close of Escrow.

b. “As Is" Conveyance.

(i) DEVELOPER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE CITY IS CONVEYING THE SITE TO DEVELOPER AND DEVELOPER IS ACCEPTING FROM THE CITY THE SITE ON AN "AS IS WITH ALL FAULTS" BASIS AND THAT DEVELOPER 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 SITE, INCLUDING WITHOUT LIMITATION: (A) THE QUALITY, NATURE, ADEQUACY AND PHYSICAL CONDITION OF THE SITE (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 SITE, (D) THE DEVELOPMENT POTENTIAL OF THE SITE, AND THE SITE’S USE, HABITABILITY, MERCHANTABILITY, OR FITNESS, SUITABILITY, VALUE OR ADEQUACY OF THE SITE FOR ANY PARTICULAR PURPOSE, (E) THE ZONING OR OTHER LEGAL STATUS OF THE SITE OR ANY OTHER PRIVATE OR GOVERNMENTAL RESTRICTIONS ON THE USE OF THE SITE, (F) THE COMPLIANCE OF THE SITE 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 SITE OR EMANATING FROM THE ADJOINING OR NEIGHBORING PROPERTY. DEVELOPER AFFIRMS THAT DEVELOPER HAS NOT RELIED ON THE SKILL OR JUDGMENT OF THE CITY OR ANY OF THEIR RESPECTIVE AGENTS, EMPLOYEES, CONSULTANTS OR CONTRACTORS TO SELECT OR FURNISH THE SITE FOR ANY PARTICULAR PURPOSE, AND THAT THE CITY MAKES NO WARRANTY THAT THE SITE IS FIT FOR ANY PARTICULAR PURPOSE. DEVELOPER ACKNOWLEDGES THAT DEVELOPER 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 SITE AND SHALL RELY UPON ITS OWN INVESTIGATION OF THE PHYSICAL, ENVIRONMENTAL, ECONOMIC AND LEGAL CONDITION OF THE SITE (INCLUDING, WITHOUT LIMITATION, WHETHER THE SITE 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 AGENCY). DEVELOPER UNDERTAKES AND ASSUMES ALL RISKS ASSOCIATED WITH ALL MATTERS PERTAINING TO THE SITE'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 AGENCY.

(ii) Developer's Release of the City. Developer, on behalf of itself and anyone claiming by, through or under Developer hereby waives its right to recover from and fully and irrevocably releases the City, and its respective council members, board members, employees, officers, directors, representatives, attorneys and agents (the "Released Parties") from any and all claims, responsibility and/or liability that Developer may have or hereafter acquire against any of the Released Parties, excluding breaches by the City of representations, warranties and covenants of the City, for any claims, fines, penalties, fees, costs, loss, liability, damage, expenses, demand, action or cause of action arising from or related to the following: (i) the condition (including any construction defects, errors, omissions or other conditions, latent or otherwise), valuation, salability or utility of the Site, or its suitability for any purpose whatsoever; and (ii) any information furnished by the Released Parties under or in connection with this Agreement, provided that such release does not apply in the event where the liability resulted from gross negligence, fraud, or will full misconduct of the Released Parties.

(iii) Scope of Release. The release set forth in Section 3.6(b)(ii) includes claims (other than claims for the presence of Hazardous Materials on, under or about the Site prior to the Close of Escrow) of which Developer is presently unaware or which Developer does not presently suspect to exist which, if known by Developer, would materially affect Developer's release of the Released Parties. Developer specifically waives the provision of any statute or principle of law that provides otherwise. In this connection and to the extent permitted by law, Developer agrees, represents and warrants that Developer realizes and acknowledges that factual matters now unknown to Developer may have given or may hereafter give rise to causes of action, claims, fines, penalties, fees, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Developer further agrees and represents that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge and acquit the City from any such unknown causes of action, claims, fines, penalties, fees, demands, debts, controversies, damages, costs, losses and expenses. Accordingly, Developer, on behalf of itself and anyone claiming by, through or under Developer, hereby assumes the above-mentioned risks and hereby expressly waives any right Developer and anyone claiming by, through or under Developer, may have under Section 1542 of the California Civil Code, which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."
>
> Developer's Initials:__________

The provisions of this section shall survive the termination of this Agreement.

3.7 Discovery of Hazardous Materials.

a. In the event that Developer discovers the presence of Hazardous Materials on, under or about the Site prior to the commencement of the construction of the Improvements which Hazardous Materials were not the result of Developer's activities on the Site, Developer shall promptly notify the City of such discovery but in any event within seventy two (72) hours of such discovery. If Developer and the City, based on environmental reports by qualified professional consultants, reasonably estimate that the cost of remediating the Site in accordance with all Governmental Restrictions is One Hundred Thousand Dollars ($100,000.00) or less, then Developer shall pay for and cause the remediation of the Site with reasonable diligence and in accordance with Governmental Restrictions. Developer and the City shall work cooperatively to expeditiously determine the estimated costs of remediation.

b. If the cost of remediation exceeds One Hundred Thousand Dollars ($100,000.00), the City and Developer shall negotiate in good faith to identify the means and a method to pay the estimated costs of remediation. In the event the City and

Developer are unable to identify funds to pay the costs of remediation after sixty (60) days of good faith negotiation (or such longer time as the Parties mutually determine), either Party may terminate this Agreement by providing a written notice of termination to the other Party. In such an event, Developer shall convey the Site to the City within five (5) days following the date of the notice of termination.

c. In the event that Developer discovers the presence of Hazardous Materials on, under or about the Site following the commencement or completion of the construction of Improvements and the presence of such Hazardous Materials are not caused by the City, Developer shall be responsible for the payment of all costs of remediation in accordance with Governmental Restrictions. Developer hereby waives its right to recover from and fully and irrevocably releases the City, and its respective council members, board members, employees, officers, directors, representatives, attorneys, and agents from any and all claims, responsibility and/or liability that Developer may have or hereafter acquire from the discovery of Hazardous Materials on, under or about the Site following the completion of the construction of the Improvements as evidenced by the issuance by the City of a temporary Certificate of Occupancy or Certificate of Occupancy, whichever is earlier.

d. The release set forth in this Section 3.7 includes claims (other than claims for the presence of Hazardous Materials on, under or about the Site prior to the Close of Escrow) of which Developer is presently unaware or which Developer does not presently suspect to exist which, if known by Developer, would materially affect Developer's release of the Released Parties. Developer specifically waives the provision of any statute or principle of law that provides otherwise. In this connection and to the extent permitted by law, Developer agrees, represents and warrants that Developer realizes and acknowledges that factual matters now unknown to Developer may have given or may hereafter give rise to causes of action, claims, fines, penalties, fees, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown, unanticipated and unsuspected, and Developer further agrees and represents that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge and acquit the City from any such unknown causes of action, claims, fines, penalties, fees, demands, debts, controversies, damages, costs, losses and expenses. Accordingly, Developer, on behalf of itself and anyone claiming by, through or under the Developer, hereby assumes the above-mentioned risks and hereby expressly waives any right Developer and anyone claiming by, through or under Developer, may have under Section 1542 of the California Civil Code, which reads as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE

MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Developer's Initials:__________

e. Developer Precautions After Closing of Escrow.

Upon the Close of Escrow, Developer shall use commercially reasonable efforts to prevent the release into the environment of any Hazardous Materials which are located in, on or under the Site. Such precautions shall include compliance with all governmental requirements with respect to Hazardous Materials.

f. City and Developer agree as follows with respect to the existence or use of Hazardous Material (as defined in this Agreement and Ground Lease) on the Site:

(i) Prohibition. Developer shall not cause or permit any Hazardous Material, other than normal and customary cleaning and janitorial supplies, to be brought upon, kept or used in or about the Site by Developer, its agents, employees, contractors, customers or invitees, without the prior written consent of City. If Developer breaches the obligations stated in the preceding sentence, or if the presence of Hazardous Material on the Site caused or permitted by Developer results in contamination of the Site, or if contamination of the Site by Hazardous Material otherwise occurs for which Developer is legally liable to City of damage resulting therefrom, then, Developer shall indemnify, hold City harmless, and defend City (with counsel reasonably acceptable to City) from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in value of the Site, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Site, damages arising from any adverse impact on marketing of the Site, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of such contamination. This indemnification of City by Developer includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material present in the soil or ground water on or under Site. Without limiting the foregoing, if the presence of any Hazardous Material on the Site caused or permitted by Developer results in any contamination of the Site, Developer shall promptly take all actions at Developer's sole expense as are necessary to return the Site to the condition existing prior to the introduction of any Hazardous Material to the Site; provided that City's approval of such actions shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Site.

(ii) Assignment. It is understood that under no circumstances shall City consent to any proposed assignment or sublease if (1) the assignee or sub-lessee's anticipated use of the Site involves the generation, storage, use, treatment or disposal of Hazardous Material, other than normal and customary cleaning and janitorial supplies; (2) the proposed assignee or sub-lessee has been required by any prior landlord, lender or governmental authority to take remedial action in connection with Hazardous Material contaminating a property if the contamination resulted from such assignee or sub-lessee's actions or use of the property in question; or (3) the proposed assignee or sub-lessee is subject to an enforcement order issued by any governmental authority in connection with the use, disposal or storage of a Hazardous Material.

(iii) Hazardous Materials Notices. California Health and Safety Code section 25349.7(a) requires any owner of nonresidential real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property, prior to the lease or rental of that real property or when the presence of such release is actually known, to give written notice of that condition to the lessee or renter. California Health and Safety Code section 25359.7(b) requires any Developer of real property who knows, or has reasonable cause to believe, that any release of hazardous substance has come to be located on or beneath that real property to give written notice of such condition to the owners. Developer and City shall comply with the requirements of section 25359.7 and any successor statute thereto and with all other statutes, laws, ordinances, rules, regulations and orders of governmental authorities with respect to hazardous substances.

3.8 Escrow.

a. Opening of Escrow.

Developer and the City shall open Escrow with the Escrow Agent not later than ninety (90) Business Days prior to the scheduled Closing Date. The delivery to Escrow Agent of a duplicate original of this Agreement shall constitute the "Opening of Escrow" and the date of the Opening of Escrow shall constitute the "Opening Date." The Escrow Agent shall accomplish the recordation of the Memorandum of Ground Lease and the documents to be recorded pursuant to this Agreement as more particularly set forth herein. This Agreement constitutes the joint basic escrow instructions of the City and Developer with respect to the lease and conveyance of the Site by the City to Developer. The City and Developer shall provide such additional escrow instructions as are customary, consistent with this Agreement and necessary for the accomplishment of its purpose. Escrow Agent is hereby empowered to act under this Agreement, and Escrow Agent, upon indicating within five (5) Business Days after the Opening of Escrow its acceptance of the provisions of this Section 3.8 in writing delivered to the City and Developer, shall carry out its duties as Escrow Agent hereunder. In the case of any inconsistency between the Additional Escrow Instructions and this Agreement, the terms of this Agreement shall govern.

b. Closing Costs to be paid by Developer.

Together with Developer's deposit of the City Rent and any other deposits provided by this Agreement, Developer shall pay to the Title Company all fees, charges and costs of the Escrow promptly after the Title Company has notified Developer of the amount of such fees, charges and costs, prior to the Closing Date. Such fees, charges and costs shall include, but are not limited to, as follows:

(i) The escrow fee; and

(ii) Recording fees, if any, for the Memorandum of Ground Lease, the Regulatory Agreement, the Notice of Restrictions and/or any other instrument to be recorded against title to the Site by or for the benefit of Developer; and

(iii) Title policy of title insurance naming the City as the insured with liability not less than the fair market value of the Site, issued by an insurer satisfactory to the City, excepting only such defects, liens, encumbrances, and exceptions as are approved by the City, and containing such endorsements as the City may reasonably require.

c. Closing Costs to be paid by Other Parties.

Any other costs, expenses or fees of the Escrow not otherwise provided for in this Agreement shall be paid by the party who customarily pays for such costs in Los Angeles County.

d. Duty of Escrow Agent.

The Escrow Agent is authorized to:

(i) Pay and charge Developer, the City or other parties, as applicable, for its respective fees, charges and costs payable under this Section 3.8. Before such payments or charges are made, Escrow Agent shall notify the City and Developer of the fees, charges and costs necessary to close the Escrow;

(ii) Deliver the Ground Lease, Memorandum of Ground Lease, the Regulatory Agreement and other documents, including any applicable promissory notes and deeds of trust, to the parties entitled thereto when the conditions of this Escrow have been fulfilled by the City and Developer;

(iv) Record any instruments delivered through this Escrow, if necessary or proper, to lease the Site, or the applicable portion thereof, to Developer in accordance with the terms and provisions of this Agreement.

If this Escrow is not in condition to close on or before the "Closing Date" (as defined in Section 3.9 of this Agreement), either Party who then shall have fully performed the acts to be performed before the conveyance of title may, in writing, demand from Escrow Agent and the Title Company, if appropriate, the return of its money, papers or documents deposited with Escrow Agent and the Title Company. No demand for return shall be recognized until ten (10) calendar days after Escrow Agent shall have mailed copies of such demand to the other Party at the address of its or their principal place of business and such other Party shall have failed to have taken the action required by that Party to effectuate the Close of Escrow within such ten (10) calendar day period. Objections, if any, shall be raised by written notice to the Escrow Agent and to the other Party within the ten (10) calendar day period described above, in which event Escrow Agent and the Title Company are authorized to hold all money, papers and documents with respect to the Site, or the affected portion thereof, until instructed by mutual agreement of the Parties or by a court of competent jurisdiction. If no such demands are made, the Escrow shall be closed as soon as possible.

Neither Escrow Agent nor the Title Company shall be obligated to return any such money, papers or documents, except upon the written instructions of the City and Developer or until the Party entitled thereto has been determined by a final decision of a court of competent jurisdiction.

Any amendment to these Escrow instructions shall be in writing and signed by both the City and Developer. At the time of any amendment, Escrow Agent shall agree to carry out its duties as Escrow Agent under such amendment.

All communications from Escrow Agent to the City or Developer shall be directed to the addresses and in the manner established in Section 12.2 of this Agreement for notices, demands and communications between the City and Developer.

e. Title Review. Within the time provided in the applicable Schedule of Performance, Developer shall cause the Escrow Holder to deliver to the Developer and the City the Title Report(s) with respect to the title of the Site, together with legible copies of the documents underlying the exceptions (the “Exceptions”) set forth in the Title Report(s). Within the time specified in the applicable Schedule of Performance, Developer shall have approved or disapproved the Exceptions. If Developer disapproves the Exceptions, then Developer may terminate this Agreement (Section 10.8, no fault termination provision) or Developer may provide written disapproval of such Exceptions to the City, and the City shall have until the date selected for each Close of Escrow to cure or remove each disapproved Exception. In the event the City is unable to cure to Developer's reasonable satisfaction, or remove, the disapproved Exceptions prior to Close of Escrow, Developer shall have the right to terminate this Agreement pursuant to Section 10.8 (no fault termination provision). Developer's failure to disapprove title to the Site within ninety (90) days prior to the Close of Escrow shall be deemed approval of such condition of title. In the event any new Exceptions appear on a Title Report after delivery of the initial Title Report and prior to the Close of Escrow, and (a) Developer disapproves of such Exception and (b) the City is unable to remove or cure such Exception to Developer's reasonable satisfaction prior to the Close of Escrow, then Developer shall have the right to terminate this Agreement pursuant to Section 10.8 (no fault termination provisions.) Upon Developer's approval of the state of title to the Site, Developer shall have no right to terminate this Agreement on account of the condition to title to the Site, except as provided herein.

3.9 Close of Escrow.

a. Subject to any extensions of time mutually agreed upon in writing between the City and Developer, the conveyance of leasehold interest to Developer pursuant to the Ground Lease shall be completed upon the occurrence of all of the following (the "Closing Date") (i) not sooner than the satisfaction of all Conditions Precedent to the Close of Escrow set forth in Section 3.1 of this Agreement; and (ii) not later than the date specified for the scheduled Closing Date in the Schedule of Performance.

b. The LAHD General Manager or his/her designee, is authorized to approve one or more reasonable extensions to the Closing Date, from time to time (each such extension not to exceed twenty (20) Business Days), so long as: (i) such extension is in writing, executed by the LAHD General Manager or designee; (ii) the LAHD General Manager or designee determines in writing, on the basis of reasonable documentation provided by Developer, that Developer is diligently attempting to satisfy or cause the satisfaction of any outstanding Condition Precedent; and (iii) the extension does not exceed six (6) months from the Closing Date set forth in the Schedule of Performance. Notwithstanding anything to the contrary, Close of Escrow shall not occur without a reasonable expectation that construction of the Improvements will commence within one hundred eighty (180) Business Days after the Close of Escrow.

3.10 Recordation of Documents.

Unless instructed otherwise in writing by the City and Developer, Escrow Agent shall record or cause to be recorded in the Office of the County Recorder of Los Angeles County, California, in the following order, the following instruments: (a) the Memorandum of Ground Lease; (b) the Regulatory Agreement; (c) the Notice of Affordability Restrictions; (d) Security Financing Interests, if any, to be recorded in connection with the ground lease; and (e) Security Financing Interests to be recorded in connection with any Third Party Loan and any other Residual Receipts Loan.

ARTICLE 4. METHOD OF FINANCING

4.1 Total Development Costs.

The parties estimate that the Total Development Costs will be as set forth in the Project Budget, to be financed as set forth in Developer's Financing Plan for the Project.

4.2 Construction Period Financing.

The Parties anticipate that construction period financing (after Close of Escrow) will be provided from a combination of loans and equity, including but not limited to the following:

a. Construction Loan. One or more construction or construction/permanent loans (each, a "Construction Loan" and collectively, the "Construction Loans") derived from the issuance of Tax-Exempt Mortgage Revenue Bonds and disbursed by a bank or other lender approved in advance by LAHD General Manager or designee ("Construction Lender") in the approximate original principal amount set forth in the "Construction" sources column in the Project Budget. It is anticipated that disbursements of the Construction Loan shall be subject to a process for the City review of Construction Lender disbursements, to be negotiated and provided in an Intercreditor Agreement, if any, to which the City and the Construction Lender will be parties. It is anticipated that the Construction Loan will be disbursed to pay Development Costs and reduced to the amount set forth in the "Permanent" sources column in the Project Budget, after the conversion of the Construction Loan in accordance with its terms.

b. Developer Equity. Equity from the Developer (the "Developer Equity"), consisting of the following:

(i) Funds in an amount set forth in the Project Budget , to be provided by the Tax Credit Equity Investor, derived from Low Income Housing Tax Credits, Historic Tax Credits and other applicable tax credits ("Investor Member/Partner Capital Contribution"), which shall be disbursed in one or more installments as provided in Developer's Amended and Restated Partnership Agreement; and

(ii) A deferred portion of the Developer Fee, in the amount set forth in the Project Budget (the "Deferred Developer Fee"), constituting that portion of the Developer Fee to be paid to Developer from Revenue, before calculating Residual Receipts.

(iii) Developer Equity Contribution made directly to the project by the Developer that is not part of the deferred developer fee or a tax credit investor equity contribution. The Developer Equity Contribution can only be repaid through the Developer's share of residual receipts; the Developer Equity Contribution will not be secured by a promissory note; and the Developer Equity Contribution can only be repaid upon sale/transfer of the Project.

Developer shall be responsible for providing or securing any additional funds which may be needed to pay for cost overruns and contingencies not otherwise funded by the sources of Construction Financing described above.

Developer Equity described in this paragraph b. shall consist of funds provided by Developer, or borrowed funds, as long as repayment is not secured by any deed of trust on the Site.

4.3 Permanent Sources of Financing.

The Parties anticipate that permanent financing will be provided from a combination of loans and equity, including but not limited to the following:

a. One or more permanent loans or construction loans that convert to permanent loans (each a "Permanent Loan" and collectively the "Permanent Loans") in the original principal amount as set forth in the Project Budget, secured by one or more Third Party Lender deeds of trust (the beneficiaries of which shall include the Permanent Lender, any credit enhancer or permanent financing guaranty facility, referred to herein collectively as the "Third Party Permanent Lenders", and, together with the Third Party Construction Lenders, described above, referred to as the "Third Party Lenders").

b. Developer Equity, as described in subsection 4.2(b), above.

c. Developer Deferred Developer Fee.

d. Other funding sources such as Measure HHH, Multifamily Housing Program (MHP), Mental Health Services Act (MHSA), Affordable Housing Sustainable Communities (AHSC), Infill Infrastructure Grant (IIG), and Project Based Vouchers (PBV).

ARTICLE 5. SCOPE OF DEVELOPMENT/DESIGN REQUIREMENTS.

5.1 Design in Conformance with Scope of Development, Residential Citywide Design Guidelines and Approved Project Documents.

a. In designing and constructing the Project, the Developer shall cause all Project Documents to be consistent with the Scope of Development and City's Multifamily Housing Design Guidelines, and requirements of the HHH Loan Agreement for the Project, if any, unless otherwise approved by the City. The Scope of Development shall establish the baseline design standards from which the Developer shall prepare all subsequent Project Documents.

b. As required by the Scope of Development, the Developer shall follow the Environmentally Responsive Design guidelines and Sustainable Building Methods section established in LAHD Architectural Design Guidelines of (March 19, 2007) and consistent with TCAC Regulation's Minimum Constructions Standards requirements adopted on May 17, 2017, as well as the latest California Energy Commission requirements which are reflected in the Building Codes (in particular Volume 3, Green Building Code) and with which all projects must comply according to their project type.

5.2 City Review.

The City shall not be responsible for any aspects of Developer's conduct in connection with the Project, including, but not limited to, the quality and suitability of the Project Documents, the supervision of construction work, and the qualifications, financial condition, and performance of all architects, engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the City with reference to the Project is solely for the purpose of determining whether the Developer is properly discharging its obligations to the City, and shall not be relied upon by the Developer or by any third parties as a warranty or representation by the City as to the quality of the design or construction of the Project.

ARTICLE 6. CONSTRUCTION OF THE IMPROVEMENTS.

Except for Section 6.6 (Relocation), if applicable, the provisions of this Article 6 are intended to apply only after the Close of Escrow, if at all.

6.1 Commencement of Construction.

The Developer shall commence construction of the Improvements within the time set forth in the Schedule of Performance.

6.2 Completion of Construction.

The Developer shall prosecute to completion, with diligence that is reasonable under all the circumstances, the construction of the Improvements, and shall complete or cause to be completed the construction of the Improvements within the time set forth in the Schedule of Performance. As between the City and the Developer, the Developer shall be solely responsible for the construction of the Improvements.

6.3 Construction Pursuant to Scope and Plans.

a. The Developer shall construct the Improvements in accordance with the Scope of Development, the approved Final Construction Drawings, and the terms and conditions of all City approvals and any other governmental approvals.

b. Any proposed material variation from the previously approved Final Construction Drawings shall be submitted to the LAHD General Manager or designee for written approval. LAHD shall approve or disapprove a proposed material variation within fifteen (15) Business Days after receipt by LAHD. If LAHD rejects the proposed material change, then LAHD shall provide the Developer with the specific reasons therefor, and the approved Final Construction Drawings shall continue to control. For purposes of this Section 6.3, a material variation from the previously approved Final Construction Drawings shall consist of any of the following: (1) any change in building materials or equipment, specifications, or the architectural, functional or structural design of the Improvements that is of lesser quality, durability or appearance or which does a poorer job of meeting the City's urban planning and design objectives as set forth in the Scope of Development; (2) any change (increase or decrease) that cumulatively exceeds ten percent (10%) of the budgeted cost of any one line item at any time; or (3) any set of changes (increase or decrease) that cumulatively exceeds ten percent (10%) of the hard cost budget.

c. Developer shall comply with all orders to comply with building codes and other governmental health and safety regulations. Any change from Approved Final Construction Drawings which is required for compliance with building codes or other government health and safety regulations shall not be deemed a material change for purposes of Section 5.5 and this Section 6.3. However, the Developer shall submit to LAHD any proposed change that is required for such compliance as soon as possible, but in any event prior to the commencement of any such work, and such change shall become a part of the approved Final Construction Drawings, binding on the Developer. Any increase in Total Development Costs resulting from any such change shall be the obligation of Developer. The City shall have the right in its sole discretion, but not the obligation, to impose conditions on Developer's performance of any such changes that are reasonable in light of all the circumstances.

d. Throughout the construction of the Improvements, the City shall have the right in its discretion, but not the obligation, to inspect the Site as provided in Section 6.10 of this Agreement, and, to the extent permitted by any Inter-creditor Agreement, to review and provide comments to other lenders regarding the disbursement of construction sources of financing.

6.4 Certificate of Completion.

a. Within ten (10) Business Days after written request by Developer following Completion of construction in accordance with the Scope of Development and Final Construction Drawings (as the same may have been revised with the written approval of the LAHD General Manager or designee pursuant to Section 6.3 of this Agreement), and (if applicable) upon Developer's obtaining a certificate of occupancy or temporary certificate of occupancy from the City, the City shall deliver to Developer a Certificate of Completion.

b. The City shall not unreasonably withhold a Certificate of Completion but shall not be obligated to issue such Certificate until construction of the Improvements has been completed in accordance with all the terms of this Agreement. Such Certificate of Completion shall be, and shall so state, conclusive determination of satisfactory Completion of the Improvements meeting the requirements of Article 5 and Sections 6.1 through 6.3, inclusive, of this Agreement. In the event any requirements of this Agreement relating to the construction of the Improvements, including, but not limited to any requirements of this Article 6, have not been fully satisfied by Developer as of the date of Developer's request for a Certificate of Completion, the LAHD General Manager or designee may deny Developer's request for a Certificate of Completion or issue the Certificate of Completion subject to such conditions subsequent as the LAHD General Manager or designee may deem necessary to ensure full satisfaction with all the requirements of this Agreement.

c. The Certificate of Completion shall be in such form as to permit it to be recorded in the Office of the Recorder of Los Angeles County. If the City fails to deliver the Certificate of Completion within ten (10) Business Days after written request from Developer, LAHD shall provide Developer with a written statement of its reasons (the "Statement of Reasons") within that ten (10)-Business Day period. The statement shall also set forth the actions Developer must take to be entitled to obtain the Certificate of Completion. If the reasons are confined to the immediate unavailability of specific items or materials for landscaping, or to so-called "punch list" items identified by LAHD, LAHD shall issue the Certificate of Completion upon the delivery of a bond or letter of credit by Developer with the City in an amount representing the City's estimate of the cost to complete the work, or other security deemed sufficient by LAHD's General Manager or designee to ensure completion of the work. Notwithstanding any other provision of this Agreement, the failure by the City to issue a Certificate of Completion within any period of time after request by Developer shall not be deemed to constitute the City's concurrence that construction of the Improvements has been completed as required by this Agreement.

d. Such Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any Senior Lender, or any insurer of a mortgage securing money loaned to finance the Improvements, or any other person or entity. Such Certificate of Completion is not notice of completion as referred to in Section 3093 of the California Civil Code. Such Certificate of Completion shall not be deemed to constitute completion or satisfaction of any obligations of the Developer under the City Development Documents, except those set forth in Article 5 and Sections 6.1 through 6.3 of this Agreement.

e. As a condition of issuance of the Certificate of Completion, Developer's Certified Access Specialist ("CASP") shall certify that the Project has been constructed in compliance with all applicable disabled access requirements as of the date of the Project's completion (when the last certificate of occupancy is issued by the City).

6.5 Compliance with Applicable Law and City Policies.

The Developer shall cause all work related to construction of the Improvements to be performed in compliance with: (a) all applicable laws, ordinances, rules and regulations of federal, state, county or municipal governments or agencies now in force or that may be enacted hereafter, (including, without limitation, the prevailing wage provisions of Sections 1770 et seq. of the California Labor Code); (b) all applicable directives, rules and regulations of any fire marshal, health officer, building inspector, or other officer of every governmental agency now having or hereafter acquiring jurisdiction; (c) all applicable disabled access requirements; and (d) all applicable City policies that are effective as of the Effective Date of this Agreement, provided the Parties may make later-adopted City policies applicable to the Project by their mutual approval of an amendment to this Agreement specifically incorporating such policies. The work shall proceed only after procurement of each permit, license, or other authorization that may be required by any governmental agency having jurisdiction, and the Developer shall be responsible for the procurement and maintenance of such documents required of Developer and of all entities engaged in Project work at the Site.

6.6 Relocation.

a. If and to the extent disposition of the leasehold interest in the Site or any aspect of development or operation of the Project results in the permanent or temporary displacement of any occupants of the Site, the following shall apply: (1) Developer shall comply with all applicable local, state and federal statutes and regulations with respect to relocation planning, advisory assistance and payment of monetary benefits (collectively referred to as the "Relocation Laws"); and (2) Developer shall be solely responsible for payment of any relocation benefits (if any) to any displaced persons and any other obligations (if any) associated with complying with the Relocation Laws, including, but not limited to, moving assistance, rent vouchers and the cost of a relocation consultant selected by the City. If the Developer is determined by a court of competent jurisdiction or any government agency to be in violation of any Relocation Laws as described in this section, the City may, in its sole discretion, declare Developer to be a "non-responsible Contractor" pursuant to the City's Policy on Contractor Responsibility (Exhibit 1 of Part II of Exhibits), and ineligible to apply for any future City contracts or financial assistance. Developer also hereby agrees to indemnify, defend and hold the City harmless from any and against any and all claims and liabilities arising directly or indirectly as a result of or in connection with the breach of Developer's obligations set forth in this Section 6.6. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent and lease related debts pursuant to this Agreement, Ground Lease, and City Development Documents, reconveyance of the City Leasehold Deed of Trust, if any, Regulatory Agreement, and Notice of Affordability Restrictions and the termination of this Agreement.

b. If applicable, Developer shall submit the Relocation Plan to the City for review and approval, and Developer hereby acknowledges that City has approved a Relocation Plan for the Site (the "Relocation Plan"). Developer agrees to perform all of the obligations to be performed by Developer and comply with the terms and conditions of the Relocation Plan.

6.7 Construction Signs.

Prior to the commencement of construction, the Developer shall prepare and post on the Site construction signs in accordance with the City's sign standards. The construction signs shall identify the Project as one that is being assisted by the City and shall recognize, at a minimum, the Mayor of the City of Los Angeles, the City Council Member for the Council District in which the Project is located, and the LAHD General Manager. The construction signs shall be erected on the Site such that they are reasonably visible to the public throughout the construction period.

6.8 Publicity.

Any publicity generated by Developer for the Project shall make reference to the contribution of LAHD in making the Project possible. The words "Los Angeles Housing Department of the City of Los Angeles (LAHD)" shall 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. Developer further agrees to cooperate with authorized staff and officials of LAHD in any LAHD-generated publicity or promotional activities undertaken for the Project.

6.9 Progress Reports.

Until a Certificate of Completion has been issued by the City, the Developer shall: (a) provide LAHD with periodic progress reports on the Project's construction status; and (b) attend status conferences relating to construction and/or compliance with City policies and City ordinances and the conditions of this Agreement. Such conferences shall occur as reasonably requested by the City, but not more often than monthly.

6.10 Entry onto the Site by the City.

Until a Certificate of Completion has been issued by the City, the Developer shall permit the City Representatives to enter the Site at all reasonable times and upon reasonable notice to: (a) inspect the construction work and determine if it conforms with the Scope of Development, the approved Final Construction Drawings and the Project Budget; or (b) inspect the Site for compliance with this Agreement. Except in the event of inspections regarding safety or compliance with City policies and City ordinances, reasonable notice shall mean at least 48 hours written notice. The City shall be under no obligation to (aa) supervise construction, (bb) inspect the Site or (cc) inform the Developer of information obtained by the City during any inspection. The Developer shall not rely upon the City for any supervision or inspection. The rights granted to the City pursuant to this section are in addition to any rights of entry and inspection the City may have in exercising its municipal regulatory authority.

6.11 Mechanics' Liens.

Developer shall promptly pay when due all amounts payable for labor and materials furnished in the performance of the Project so as to prevent any lien or other claim under any provision of law from arising against the City or the Site (including reports, documents, and other tangible or intangible matter produced by Developer related to the Project), against Developer’s rights to payments hereunder, or against the City, and shall pay all amounts due under the Unemployment Insurance Act with respect to such labor.

The Developer shall indemnify the City and hold the City harmless against and defend the City in any proceeding related to any mechanic's lien, stop notice or other claim brought by a subcontractor, laborer or material supplier who alleges having supplied labor or materials in the course of the construction of the Project by the Developer. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of City Rent, termination of Regulatory Agreement, withdrawal of Notice of Affordability Restrictions and the termination of this Agreement.

6.12 Non-Discrimination During Construction; Equal Opportunity.

The Developer, for itself, its successors and assigns, and transferees agrees that in the construction of the Project provided for in this Agreement:

a. The Developer shall not discriminate against any employee or applicant for employment because of race, color, religion, creed, national origin, ancestry, disability, actual and perceived, medical condition, age, marital status, transgender status, sex, sexual orientation, Acquired Immune Deficiency Syndrome (AIDS), actual or perceived, or retaliation for having filed a discrimination complaint or any additional basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955 and Section 12955.2 of the Government Code, as such provisions may be amended from time to time (collectively, the "Nondiscrimination Factors"). The Developer shall take affirmative steps to ensure that applicants are employed by the Developer, and that its employees are treated without regard to the Nondiscrimination Factors during employment including, but not limited to, activities of: upgrading, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Developer agrees to post in conspicuous places, available to its employees and applicants for employment, the applicable nondiscrimination clause set forth herein.

b. The Developer shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California, and the City. In performing this Agreement, the Developer shall not discriminate in its employment practices, including compensation, against any employee, or applicant for employment because of such person's race, religion, 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 syndrome (AIDS), acquired or perceived citizenship, political affiliation or belief. The Developer shall comply with Executive Order 11246, entitled "Equal Employment Opportunity", as amended by Executive Order 11375, 11478, 12086, and 12107 and as supplemented in the Department of Labor regulations (41 CFR Part 60).

c. Unless otherwise exempt, this Agreement is subject to the non-discrimination provisions in Section 10.8 through 10.8.2 of the Los Angeles Administrative Code as amended from time to time. The Developer shall and shall cause all contractors and subcontractors to 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 Agreement, Developer, its contractors and/or subcontractors shall not discriminate in its employment practices, including compensation, against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, gender identification, transgender status, sex stereotypes, age, physical handicap, mental disability, medical condition, domestic partner status, marital status, pregnancy, childbirth and related medical conditions, citizenship and political affiliation or belief. The Developer shall also comply with all rules, regulations, and policies of the City's Board of Public Works, Office of Contract Compliance relating to nondiscrimination and affirmative action, including the filing of all forms required by City. Any contract or subcontract entered into by Developer to the extent allowed hereunder, shall include a like provision for work to be performed under this Agreement.

Failure of the Developer to comply with this requirement or to obtain the compliance of its contractors or subcontractors with such obligations shall subject the

Developer to the imposition of any and all sanctions allowed by law, including but not limited to termination of the Developer's contract with the City.

d. The Developer shall ensure that its solicitations or advertisements for employment are in compliance with the aforementioned Nondiscrimination Factors; and

e. The Developer shall insert the foregoing provisions in all contracts for the construction of the Project entered into by the Developer after the Effective Date of this Agreement and ensure that its General Contractor shall insert the foregoing provisions in the General Contractor's subcontracts; provided, however, that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

f. For purposes of this Section 6.12, the term "Developer" shall mean and include the Developer and the Developer's General Contractor and subcontractors of any tier engaged by Developer in the construction of the Project.

6.13 Affirmative Outreach in Contracting Procedures and Employment, Including Utilization of Project Area, Minority, Women and Other Businesses and Persons.

a. Use of Disadvantaged and Local Businesses. The parties hereby acknowledge that California Health and Safety Code Section 33422.1 provides: "To the greatest extent feasible, contracts for work to be performed in connection with any redevelopment project shall be awarded to business concerns which are located in, or owned in the substantial part by persons residing in, the project area." Therefore, in consideration of the assistance provided to the Project by the City, Developer hereby agrees:

(i) To the greatest extent feasible, Developer shall seek out and award and require the award of contracts and subcontracts for development of the Site to contracting firms which are located or owned in substantial part by persons residing in the Redevelopment Project Area, and to promote outreach to minority-owned, women-owned and other businesses. This requirement applies to both the construction and operation of the Improvements.

(ii) This paragraph shall require significant efforts of the Developer and its contractors but shall not require the hiring of any person unless such person has the experience and ability, and, where necessary, the appropriate trade union affiliation, to qualify such person for the job.

b. Employment of Project Area Residents. The Parties hereby acknowledge that California Health and Safety Code Section 33422.3 provides: "To insure training and employment opportunities for lower-income project area residents, the agency may specify in the call for bids for any contract over one hundred thousand dollars ($100,000) for work to be performed in connection with any redevelopment project that project area residents, if available, shall be employed for a specified percentage of each craft or type of workmen needed to execute the contract or work." Therefore, in consideration of the assistance provided to the Project by the City, Developer agrees as follows:

(i) Developer shall in all general contracts for the construction of the Improvements (and its contractors shall in all subcontracts thereunder), require that to the greatest extent feasible, the labor force in all categories be comprised of residents of the Redevelopment Project Area; and

(ii) Developer and its contractors shall be subject to and shall comply with the terms of the Standard City Contracting Requirements, with all amendments thereto. Developer hereby agrees to the terms of these requirements and shall ensure that its General Contractor agrees to these terms.

c. Community Outreach Plan. Developer acknowledges that it is the policy of the City to promote the economic advancement of minorities and women as well as other economically disadvantaged persons through employment and the award of contracts and subcontracts in redevelopment project areas, and to provide Minority-owned Business Enterprises ("MBE"), Women-owned Business Enterprises ("WBE") and all other business enterprises ("OBE") with an equal opportunity to compete for and participate in the performance of City-assisted contracts. To carry out such policy, Developer agrees to comply with this Section 6.13.c. as follows:

(i) Submission of Plan: By the date set forth in the Schedule of Performance, the Developer and Developer's development team (including at a minimum, the General Contractor and Project Architect) shall meet with the City's Office of Audits and Compliance to hold a preconstruction meeting, to establish Project procedures, determine progress towards preliminary construction requirements, review City and other governmental policies and requirements and delineate the roles and responsibilities of Project participants. During the preconstruction meeting, the Developer shall be provided with the policies and procedures of the City regarding prevailing wage requirements and MBE, WBE and OBE outreach efforts, including the development of a community outreach plan (containing the items described in paragraph c.(2), below). At the preconstruction meeting, LAHD shall provide to the Developer samples of community outreach plans which have been approved by the City. Prior to commencing construction, the Developer shall submit to the LAHD General Manager or his/her designee, for approval or disapproval, a community outreach plan for the Project (the "Community Outreach Plan"), as part of the Community Benefits Plan for the Project. The Community Outreach Plan shall set forth the methods the Developer shall use to comply with this Section 6.13. Upon receipt of the Community Outreach Plan, the City shall, within twenty (20) Business Days, approve or disapprove the Community Outreach Plan, or provide to the Developer a statement of actions required to be taken in order for the Community Outreach Plan to be approved. If the City fails to respond within such twenty (20) Business Day period, the Community Outreach Plan shall be deemed disapproved by the City. The Developer shall not commence construction unless the Community Outreach Plan has been approved by the City.

(i) Contents of the Community Outreach Plan: The Community Outreach Plan shall include, at a minimum:

(1) Estimated total dollar amount (by trade) of all contracts and subcontracts to be let by the Developer or its General Contractor for the Improvements;

(2) List of all proposed contractors to be awarded a contract by the Developer or the General Contractor;

(3) Estimated dollar value of all proposed contracts;

(4) Evidence of Minority and Women Business Enterprise ("M/WBE") Certification of all firms listed as an MBE or WBE in the Community Outreach Plan. Firms purporting to be M/WBE do not require M/WBE Certification if their contract amount is less than Twenty Five Thousand Dollars ($25,000). Any firm for which the contract amount exceeds Twenty Five Thousand Dollars ($25,000) and which is not certified by the City of Los Angeles may not be considered an MBE or WBE for purposes of this Agreement;

(5) Developer agrees and shall cause any contractors and subcontractors for the Project to agree and obligate itself to utilize the services of Minority, Women and Other Business Enterprise firms on a level so designated in its proposal, if any. Developer certifies and shall cause any contractors and subcontractors to certify that it has complied with Mayoral Directive 2001-26 regarding contracts greater than $100,000 (One Hundred Thousand Dollars), if applicable. Developer shall not change any of these designated contractors or subcontractors, nor shall Developer reduce their level of effort, without prior written approval of the City.

(6) Description of the actions to be taken to meet the project area resident and business utilization objectives; and

(7) Such other information and documentation with respect to the foregoing objectives as the City may reasonably deem necessary.

d. General Information. During the construction of the Improvements, the Developer shall provide to the City such information and documentation as reasonably requested by the City to carry out this Section 6.13. The Developer shall monitor and enforce the affirmative outreach and equal opportunity requirements set forth in this Agreement. In the event the Developer fails to monitor or enforce these requirements, the City may declare the Developer in default of this Agreement (subject to the notice and cure rights provided in this Agreement) and thereafter pursue any of the remedies available under this Agreement.

6.14 Cost of Development.

Developer shall bear all costs and expenses incurred in connection with the construction and maintenance of all Improvements, including, without limitation, all costs incurred in connection with the investigation, leasehold interest conveyance and preparation of the Site for development, all off-site improvements, building and Developer fees, and all costs of investigation, leasehold interest conveyance and/or preparation of any Project Documents or other submissions made by Developer pursuant to this Agreement. Developer shall pay when due, and shall cause its General Contractor to pay when due, all valid invoices for materials, equipment, labor and services incurred in connection with the development of the Project.

6.15 Prevailing Wages.

a. The Developer shall pay or cause to be paid to all workers employed in connection with the development of the Improvements, not less than the prevailing rates of wages, as provided in the statutes applicable to City public work contracts, including without limitation Sections 33423-33426 of the California Health and Safety Code and Sections 1770-1781 of the California Labor Code. Copies of the currently applicable per diem prevailing wages are available from the LAHD at 1200 West 7th Street, 8th Floor, Los Angeles California 90017. During the construction of the improvements, Developer shall or shall cause the contractor to post at the Property the applicable prevailing rates of per diem wages. The Developer shall and shall cause the contractors and subcontractors to submit data and documents related to prevailing wage by using the LCP Tracker or comparable LAHD-approved program. The fee for the LCP Tracker, or comparable LAHD-approved program, will be in the amount equal to Three

Hundredth Percent (0.03%) of the total construction cost to be paid in full within 30 days from the execution of this Agreement.

b. If the construction work covered under this Agreement is financed in whole or in part with assistance provided under a program of the U.S. Department of Housing and Urban Development or some other source of federal funding, the Developer shall comply with or cause its General Contractor and all subcontractors to comply with the requirements of the Davis-Bacon Act (40 U.S.C. 276 et. seq.). The Davis-Bacon Act requires the payment of wages to all laborers and mechanics at a rate not less than the minimum wage specified by the Secretary of Labor in periodic wage rate determinations as described in the Federal Labor Standards Provisions (HUD-4010). In the event both State Prevailing wages and Davis-Bacon Act wages shall be required, all works shall be paid at the higher of the two wage rates.

c. Prior to the commencement of construction, and as soon as practicable in accordance with the Schedule of Performance, the Developer shall contact the City to schedule a preconstruction orientation meeting with the Developer and with the General Contractor to explain such matters as the specific rates of wages to be paid to workers in connection with the development of the Improvements, preconstruction conference requirements, record keeping and reporting requirements necessary for the evaluation of the Developer's compliance with this Section 6.15.

d. Developer shall monitor and enforce the prevailing wage requirements imposed on its contractors and subcontractors, including withholding payments to those contractors or subcontractors who violate these requirements. In the event that Developer fails to monitor or enforce these requirements against any contractor or subcontractor, Developer shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Developer was the actual employer, and the City or the State Department of Industrial Relations may withhold monies owed to the Developer, may impose penalties on Developer in the amounts specified herein, may take action directly against the contractor or subcontractor as permitted by law, and/or may declare the Developer in default of this Agreement (subject to the notice and cure rights provided in this Agreement) and thereafter pursue any of the remedies available under this Agreement.

e. Any contractor or subcontractor who is at the time of bidding debarred by the Labor Commissioner pursuant to Section 1777.1 of the California Labor Code is ineligible to bid on the construction of the Improvements or to receive any contract or subcontract for work covered under this Agreement. The Developer agrees to include, or cause to be included, this paragraph (e) in all bid specifications for work covered under this Agreement.

f. Any contractor or subcontractor who, at the time of the date of this Agreement, is listed in the Lists of Parties Excluded From Federal Procurement or

Nonprocurement Programs issued by the U.S. General Services Administration pursuant to Section 3(a) of the Davis-Bacon Act is ineligible to receive a contract for work covered under this Agreement, if the covered work is Federally funded in whole or in part.

g. Any contractor or subcontractor that is at the time of bidding debarred or declared non-responsible under the City's Contractor Responsibility Ordinance is ineligible to bid on the construction of the Improvements or to receive any contract or subcontract for work covered under this Agreement. Developer agrees to include, or cause to be included, this paragraph (g) in all bid specifications for work covered under this Agreement.

h. Developer agrees to include, or cause to be included, the above provisions in all bid specifications for work covered under this Agreement.

i. Developer 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 Developer, 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 Site. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent and any debts to the City pursuant to this Agreement, Ground Lease, and City Development Documents, reconveyance of the City Leasehold Deed of Trust, if any, Regulatory Agreement, and Notice of Affordability Restrictions and the termination of this Agreement.

j. For purposes of this Section 6.15, the terms “contractor” and “subcontractor” shall have the meaning set forth in the City Prevailing Wage Policy.

ARTICLE 7. USE OF THE SITE AND DEVELOPER OBLIGATIONS DURING AND AFTER CONSTRUCTION

7.1 Uses.

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Site or any part thereof, that Developer, such successors and such assignees shall use the Site only for the uses specified in the Redevelopment Plan, this Agreement (including the Scope of Development), and the Regulatory Agreement. No change in the use of the Site shall be permitted without the prior written approval of the City.

7.2 Affordability.

The Developer hereby agrees that, for the term of the Regulatory Agreement, the Affordable Units within the Improvements shall be used only for residential uses consistent with the Regulatory Agreement. All of the housing units in the Project (other than the resident manager's unit) shall be made available and rented exclusively to Eligible Households in the income categories and at rents that do not exceed the respective affordability levels set forth in the Regulatory Agreement. In the event the Project contains both Affordable Units and dwelling units that are unrestricted as to rents and incomes, the Affordable Units shall to the maximum extent feasible be comparable to unrestricted units with the same number of rooms, in terms of size, location and amenities.

7.3 Allowable Rent.

For the term of the Regulatory Agreement, Developer shall not charge rent for an Affordable Unit that exceeds the applicable Affordable Rent for the income level of a Household that is eligible to rent that Affordable Unit (i.e., rent for a Moderate Income Unit shall not exceed a Moderate Income Rent, etc.), as set forth more specifically in the Regulatory Agreement.

7.4 Maintenance of the Site.

At all times after the Close of Escrow and prior to the completion of construction, Developer shall secure and maintain the Site or cause the Site to be secured and maintained in a safe, neat and orderly condition to the extent practicable and in accordance with industry health and safety standards for construction sites. Upon and at all times after completion of construction, the Project shall be well maintained as to both external and internal appearance of all buildings, landscaping, common areas, and parking areas, conforming to the best practices of operators of comparable City-assisted affordable housing, and the requirements set forth in the Regulatory Agreement, if any, for the term of that agreement.

7.5 Management Requirements.

a. Operations and Maintenance. For the term of the Regulatory Agreement, Developer shall operate and maintain the Project in accordance with all applicable federal, state and local laws and rules, in conformance with the best practices of operators of comparable City-assisted affordable housing and the management requirements set forth in the Regulatory Agreement, and provide for the operation of the Project in a manner satisfactory to the City pursuant to the Management Plan (defined in the Regulatory Agreement). Not later than the time specified in the Schedule of Performance, the Developer shall submit to the LAHD General Manager or designee for written approval, a Management Plan for the Project. The Developer shall submit the Management Plan and all necessary supporting information in such time to permit the

LAHD General Manager or designee to approve, disapprove or comment on the Management Plan twenty (20) Business Days prior to the completion of construction. The Management Plan, including such amendments as may be approved by the LAHD General Manager or designee, shall remain in effect for the term of the Ground Lease or the term of the Regulatory Agreement, whichever is longer.

b. Just Cause Evictions. Developer shall include the following provision in all Developer leases and rental agreements for the Project:

> "Owner may not terminate the tenancy or refuse to renew this lease or rental agreement except for good cause. The term "good cause" shall mean a serious or repeated violation of the material terms and conditions of the lease, or a violation of applicable federal, state or local law. To terminate the tenancy or refuse to renew the lease, Owner must provide written notice to the Developer of the grounds with sufficient specificity to enable to the Developer to prepare a defense. The notice must be served at least three Business Days before the termination of tenancy, and must comply with all requirements of California law and other applicable programs. Developer has the right to enforce this requirement in state court, including presenting a defense to any eviction action brought by Owner."

7.6 Obligation to Refrain from Discrimination.

a. Developer covenants and agrees for itself, its successors and its assigns in interest to the Site or any part thereof, that there shall be no discrimination against or segregation of any person or persons on any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code. All deeds, leases, or contracts for the sale, lease, sublease, or other transfer of the Site shall contain or be subject to the nondiscrimination or non-segregation clauses hereafter prescribed.

b. Notwithstanding subdivision (a), with respect to familial status, subdivision (a) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in subdivision (a) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to subdivision (a).

7.7 Form of Nondiscrimination and Nonsegregation Clauses.

Developer shall refrain from restricting the rental, sale or lease of the Site as provided in Section 7.6, above. All deeds, leases or contracts for the sale, lease, sublease, or other transfer of the Site entered into after the date on which this Agreement is executed by the City shall contain or be subject to substantially the following nondiscrimination or non-segregation clauses:

a. (1) In deeds the following language shall appear--"The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Site herein conveyed, nor shall the grantee or any person claiming under or through him or her, establish or permit any practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of Developers, lessees, sub Developers, sub-lessees, or vendees in the Site herein conveyed. The foregoing covenants shall run with the land."

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

b. (1) In leases the following language shall appear--"The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators, and assigns, and all persons claiming under or through him or 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 any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the Site herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of Developers, lessees, sub-lessees, sub Developers, or vendees in the Site herein leased."

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11, and

799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

c. In contracts entered into by the City relating to the sale, transfer, or leasing of land or any interest therein acquired by the City within any survey area or redevelopment project the foregoing provisions in substantially the forms set forth shall be included and the contracts shall further provide that the foregoing provisions shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

7.8 Barriers to the Disabled.

a. Compliance with all Accessibility Requirements. Developer shall comply with all applicable requirements of state, local and federal rules, laws and regulations relating to accessibility and reasonable accommodations for persons with disabilities, including, without limitation, the following to the extent any are applicable to the Project: Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794 and implementing regulations at 24 CFR Part 8); the Americans with Disabilities Act (42 U.S.C. Sections 12131 *et seq*. and 12181 *et seq*., and implementing regulations at 28 CFR Parts 35 and 36); the Fair Housing Act (42 U.S.C. Section 3601 *et seq.*, and implementing regulations at 24 CFR Part 100); the Fair Employment and Housing Act (California Government Code Section 12926); and Title 24 of the California Building Code. Without limiting the generality of the foregoing,

(i) residential and nonresidential projects that involve new construction or rehabilitation of existing buildings and that are financed in whole or in part with federal funds (e.g. CDBG, HOME) shall comply with all applicable requirements of Section 504 of the Rehabilitation Act of 1973 and all other applicable requirements;

(ii) projects that receive City or other nonfederal sources of funding shall comply with all applicable requirements of the Americans with Disabilities Act, the Fair Housing Act, the Fair Employment and Housing Act, Title 24 of the California Building Code, and all other applicable requirements;

(iii) commercial structures, and common areas and public use areas in residential projects, shall comply with all applicable requirements of the Americans with Disabilities Act, Title 24 of the California Building Code and all other applicable requirements.

Developer shall ensure that construction plans submitted for review by the City comply with all applicable requirements of law and that Project construction is carried out in conformity with approved plans.

b. ADA Certification. Developer hereby certifies as follows:

(i) Developer is in compliance with and shall continue to comply with the Americans with Disabilities Act, 42 U.S.C. 12101 et seq. and its implementing regulations.

(ii) Developer shall provide for reasonable accommodations to allow qualified individuals with disabilities to have access to and participate in its programs, services and activities in accordance with the provisions of the Americans with Disabilities Act.

(iii) Developer shall not discriminate against persons with disabilities nor against persons due to their relationship or association with a person with a disability.

(iv) Developer shall require that the language of this Section 7.8 be included in the award documents for all sub-awards at all tiers (including subcontracts, and contracts under grants, loans and cooperative agreements) and that all subcontractors shall certify and disclose accordingly.

(v) The certification set forth in this Section is a material representation of fact upon which reliance was placed when the Parties entered into this transaction.

7.9 Effect and Duration of Covenants.

The covenants established in this Agreement shall run with the land, without regard to technical classification and designation, and shall be for the benefit and in favor of and enforceable against the original Developer and successors in interest by the City. The covenants described in this Article 7 shall commence upon execution of this Agreement, shall be set forth in the Regulatory Agreement and shall remain in effect for the respective periods specified therein.

7.10 Regulatory Agreement.

Prior to the Close of Escrow and execution of the Ground Lease, Developer and City shall execute the Regulatory Agreement and the Notice of Affordability Restrictions, which shall be recorded against the Site upon the Close of Escrow. The Regulatory

Agreement shall have a term of not less than 55 years from the Certificate of Occupancy (COO).

7.11 Monitoring.

a. The parties acknowledge that this Agreement is subject to the provisions of Section 33418(a) of the California Health and Safety Code, which provides in pertinent part:

> "An Agency shall monitor, on an ongoing basis, any housing affordable to persons and families of low or moderate income developed or otherwise made available pursuant to any provisions of this part. As part of this monitoring, an Agency shall require owners or managers of the housing to submit an annual report to the Agency. The annual reports shall include for each rental unit the rental rate and the income and family size of the occupants... The income information required by this section shall be supplied by the Developer in a certified statement of a form provided by the Agency."

b. Developer, on behalf of itself, its successors and assigns, covenants and agrees to submit an annual report to LAHD containing, for each Affordable Unit, the rental rate and the income and family size of the occupants. LAHD shall provide the format to be used.

7.12 Indemnity.

a. Developer shall indemnify, defend (with counsel approved by the City) and hold harmless the City, and their respective elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the "Indemnitees") from and against any and all liabilities, losses, costs, expenses (including without limitation attorneys' fees and costs of litigation), claims, demands, actions, suits, causes of action, writs, judicial or administrative proceedings, penalties, deficiencies, fines, orders, judgments and damages (all of the foregoing collectively "Claims") which in any manner, directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, result from, or relate to: (i) approval of this Agreement and/or the Improvements; (ii) performance of this Agreement on the part of the Developer or any contractor or subcontractor of Developer; and/or (iii) the rehabilitation, operation, maintenance or management of the Improvements, whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that the City does not and shall not waive any rights against Developer which it may have by reason of this indemnity and hold harmless agreement because of the acceptance by the City, or Developer's deposit with the City of any of the insurance policies described in this Agreement.

b. Developer shall pay immediately upon the Indemnitees' demand any amounts owing under this indemnity. The duty of Developer to indemnify includes the duty to defend the Indemnitees or, at the Indemnitees' choosing, to pay the Indemnitees' costs of its defense in any court action, administrative action, or other proceeding brought by any third party arising from the Improvements or the Site. The Indemnitees may make all reasonable decisions with respect to their representation in any legal proceeding, including, but not limited to, the selection of attorney(s). Developer's obligations set forth in this Section shall survive the issuance of the Certificate of Completion by the City, repayment of the City Rent and any debts to the City pursuant to this Agreement, Ground Lease, and City Development Documents, reconveyance of the City Leasehold Deed of Trust, if any, Regulatory Agreement, and Notice of Affordability Restrictions and the termination of this Agreement. Developer's indemnification obligations set forth in this Section 7.12 shall not apply to Claims arising solely from the gross negligence or willful misconduct of the Indemnitees.

7.13 Insurance Coverage.

Developer shall furnish or cause to be furnished to the City duplicate originals or certified copies of the insurance policies, complete with additional insured and loss payee endorsements, as applicable pursuant to this Agreement. Developer shall maintain and keep in full force and effect the following policies of insurance, issued by companies approved and regulated by the State Department of Insurance, commencing upon the execution of this Agreement or Developer taking leasehold title to the Site, whichever occurs later, including:

a. Developer and Developer's contractors and sub-contractors hired to perform work on the Site shall maintain Commercial General Liability insurance, to protect against Claims due to bodily injury, including death therefrom, suffered or alleged to be suffered by any person or persons whomsoever on or about the Site and the Improvements, or in connection with the operation thereof, resulting directly or indirectly from any acts or activities of the City or Developer or any person acting for the City or Developer, or under their respective control or direction, and also to protect against Claims due to damage to any property of any person occurring on or about the Site and the Improvements, or in connection with the operation thereof, caused directly or indirectly by or from acts or activities of the City or Developer, its contractor(s) or subcontractor(s) or its Developers or any person acting for the City or Developer, or under their respective control or direction. Such property damage and bodily injury insurance shall also provide for and protect the City against incurring any legal cost in defending claims for alleged loss. Such bodily injury and property damage insurance shall name the Indemnitees as additional insureds. Such bodily injury and property damage insurance shall be in minimum limits of One-Million Dollars ($1,000,000.00) per occurrence with a Five Million Dollars ($5,000,000.00) aggregate; provided, however, the limitation on the amount of insurance shall not limit the responsibility of the Developer to indemnify the Indemnitees or to pay damages for injury to persons or property resulting from Developer's activities or the activities of any other person or persons for which Developer is otherwise responsible.

b. During construction and until a Certificate of Occupancy for the completed development has been issued by the City, Developer shall carry Builder's Risk coverage for the Improvements. After completion of construction, Developer shall maintain property insurance in an amount not less than the full insurable value of the Improvements with extended coverage including fire, windstorm, flood, vandalism, malicious mischief, earthquake (if commercially available at reasonable rates or as otherwise required), boiler and machinery if applicable, and other such perils customarily covered by an "All Risk" policy. Such policy shall include a loss payable endorsement naming the **"City of Los Angeles"** as loss payees. The term "full insurable value" as used above shall mean the actual replacement cost (excluding the cost of excavation, foundation and footings below the lowest floor and without deduction for depreciation) of the Improvements immediately before such casualty or other loss, including the cost of rehabilitation of the Improvements, architectural and engineering fees, and inspection and supervision. To ascertain the amount of coverage required, not less often than once every three (3) years, Developer shall cause the full insurable value of the Improvements to be determined, such determination to be either by appraisal of the insurer, or by an appraiser mutually acceptable to the City and the Developer. The manner of determination of value shall be agreed to in writing by Developer and the LAHD General Manager or designee.

c. After the completion of construction, Developer shall maintain or cause to be maintained loss of rental income insurance with respect to the Improvements, against the perils of fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such other perils ordinarily included in extended coverage policies.

d. Developer and its contractors and subcontractors shall maintain or cause to be maintained Workers' Compensation Insurance including Employer's Liability in limits of not less than One Million Dollars ($1,000,000.00), issued by a responsible carrier authorized under the laws of the State of California to insure employers against liability for compensation under the workers' compensation laws now in force in California, or any laws hereafter enacted as an amendment or supplement thereto or in lieu thereof. Such workers' compensation insurance shall cover all persons employed by Developer and its contractors and subcontractors in connection with the Site and the Improvements and shall cover claims for death, bodily injury, illness, or disease made by, for or on behalf of any person incurring or suffering injury, death, illness or disease in connection with the Site or the Improvements or the operation thereof by Developer.

e. Professional liability insurance shall be required of architects and engineers hired to perform work on the Improvements in limits of not less than One Million Dollars ($1,000,000.000). Developer shall ensure that insurance for architects and engineers is received by the City prior to the commencement of any work on the Site.

f. Commercial automobile insurance coverage in minimum limits of not less than One Million Dollars ($1,000,000.00) shall be required by Developer and/or Developer's contractors and sub-contractors hired to perform work on the Site for owned, hired, leased, and non-owned autos and shall be received by the City prior to the commencement of any work being performed on Site.

g. All required insurance policies shall not be subject to cancellation, reduction in coverage, or non-renewal except after notice in writing shall have been sent by registered mail addressed to both LAHD not less than twenty (20) Business Days prior to the effective date thereof (ten (10) Business Days for nonpayment of premiums). **All policies where applicable must name the "City of Los Angeles" as additional insured.** The insurance policies or endorsements shall also contain a waiver of subrogation for the benefit of the City of Los Angeles.

h. All insurance provided under this Agreement shall be for the benefit of Developer and the City. Developer agrees to timely pay or cause to be paid all premiums for such insurance and, at its sole cost and expense, to comply and secure compliance with all insurance requirements necessary for the maintenance of such insurance.

i. Developer shall submit proof of insurance and applicable endorsements as required by this Section to the City prior to the Close of Escrow. At least twenty (20) Business Days prior to expiration of any such policy, copies of renewal policies shall be submitted to the City.

j. All insurance herein provided for in this Agreement shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of California reasonably approved by the City.

k. Subject to the provisions of any Construction and/or Permanent Lender's loan documents, all insurance proceeds with respect to loss or damage to the Improvements during the term of the Ground Lease shall be payable, under the provisions of the relevant insurance policy, jointly to Developer 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 to repay the City Rent. During any period when a Permanent Loan is outstanding, such proceeds shall be divided between the Permanent Lender and City in proportion to the balance of their respective loans. In the event of any fire or other casualty to the Improvements or eminent domain proceedings resulting in condemnation of the Improvements or any part thereof, the Developer shall have the right to rebuild the Improvements, and to use all available insurance or condemnation proceeds to pay costs in connection with rebuilding the Improvements, provided that (1) such proceeds are sufficient to pay City Rent and rebuild the Improvements in a manner that provides adequate security to the City for repayment of the City Rent or if such proceeds are insufficient then the Developer shall have funded any deficiency, (2) 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 (3) no material default then exists under this Agreement, Ground Lease or City Development Documents. If the casualty or condemnation affects only part of the Improvements and total rebuilding is infeasible, then proceeds may be used for partial rebuilding.

l. The City reserve the right at any time during the term of this Agreement to change the amounts and types of insurance required hereunder by giving the Developer ninety calendar days written, advance notice of such change. If such change(s) should result in substantial additional cost to the Developer, the City agrees to negotiate additional compensation proportional to the increased benefit to the City of Los Angeles.

m. The City shall have the right in its sole discretion to accept insurance policies with lower limits than the minimum limits set forth in this Section 7.13.

7.14 Insurance Advances.

In the event Developer fails to maintain or cause to be maintained the full insurance coverage required by this Agreement, the City, after at least five (5) Business Days prior notice to Developer, 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 the City, together with interest thereon from the date of such advance at the highest rate of interest then allowed by applicable law, shall become an additional obligation of Developer to the City under this Agreement and shall be secured by a City Leasehold Deed of Trust.

7.15 Hazardous Materials.

a. The Developer hereby covenants and agrees that:

(i) The Developer shall not knowingly permit the Site or any portion thereof to be a site for the use, generation, treatment, manufacture, storage, disposal or transportation of Hazardous Materials or otherwise knowingly permit the presence of Hazardous Materials in, on or under the Site in violation of any applicable law;

(ii) The Developer shall keep and maintain the Project and each portion thereof in compliance with, and shall not cause or permit the Project or any portion thereof to be in violation of any Hazardous Materials Laws;

(iii) Upon receiving actual knowledge of the same, the Developer shall within ten (10) days advise the City in writing of: (A) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted or threatened against the Developer or the Project pursuant to any applicable Hazardous Materials Laws; (B) any and all claims made or threatened by any third party against the Developer or the Project relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in the foregoing clause (A) and this clause (B) are hereinafter referred to as "Hazardous Materials Claims"); (C) the presence of any Hazardous Materials in, on or under the Site in such quantities which require reporting to a government agency; or (D) the Developer's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Project classified as "border zone property" under the provisions of California Health and Safety Code, Sections 25220 et seq., or any regulation adopted in accordance therewith, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Project under any Hazardous Materials Laws. If the City reasonably determine that the Developer is not adequately responding to a written directive or order from a regulatory body or court regarding a Hazardous Material Claim, the City shall have the right, upon ten (10) Business Days written notice to the Developer, to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any such Hazardous Materials Claims and, if such claim could result in any liability or damage to the City, to have its reasonable attorney's fees in connection therewith paid by the Developer.

(iv) As long as the Ground Lease is in effect, the Developer shall not take, without the City's prior written consent, which shall not be unreasonably withheld or delayed, any remedial action in response to the presence of any Hazardous Materials on, under, or about the Site (other than in emergency situations or as required by governmental agencies having jurisdiction), nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Materials Claims.

b. Hazardous Materials Indemnity. Without limiting the generality of the indemnification set forth in this Section 7.15, the Developer hereby agrees to indemnify, protect, hold harmless and defend (by counsel acceptable to the City) the City, its Council Members, officers, employees and agents from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, reasonable attorney's fees and expenses), arising directly or indirectly, in whole or in part, out of: (1) the failure of the Developer, its agents, employees, or contractors to comply with any Hazardous Materials Law relating in any way whatsoever to the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation or disposal of Hazardous Materials into, on, under or from the Project; (2) the presence in, on or under the Site of any Hazardous Materials not otherwise present before the Close of Escrow or any releases or discharges of any Hazardous Materials into, on, under or from the Project occurring after the Close of Escrow; or (3) any activity carried on or undertaken on or off the Project, subsequent to the conveyance of the Site to the Developer, by the Developer or any employees, agents, contractors or subcontractors of the Developer at any time occupying or present on the Project, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials at any time located or present on or under the Project (collectively "Indemnification Claims"). The foregoing indemnity shall further apply to any residual contamination on or under the Project, or affecting any natural resources, and to any contamination of any property or natural resources arising in connection with the generation, use, handling, treatment, storage, transport or disposal of any such Hazardous Materials by the Developer, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent, termination of the Regulatory Agreement, withdrawal of the Notice of Affordability Restrictions and the termination of this Agreement.

c. No Limitation. The Developer hereby acknowledges and agrees that the Developer's duties, obligations and liabilities under this Agreement, including, without limitation, under paragraph b. of this Section 7.15, above, are in no way limited or otherwise affected by any information the City may have concerning the Site or the Project and/or the presence on or under the Site or within the Project of any Hazardous Materials, whether the City obtained such information from the Developer or from its own investigations.

7.16 Taxes and Assessments.

Developer shall pay prior to delinquency any and all real estate taxes and assessments (including any possessory interest tax) assessed and levied on the Site or any portion thereof and Developer hereby agrees to indemnify, defend and hold the City and all of the City's Representatives free and harmless against any and all Losses and Liabilities arising from the failure to pay when due such taxes and assessments. The City shall have the right, but not the obligation, to advance on behalf of Developer any amounts due as the result of real estate taxes and assessments (including any possessory interest tax) assessed and levied on the Site or any portion thereof. Developer shall immediately reimburse the City for any amount so advanced by the City, together with interest thereon from the date of such advance at the highest rate of interest then allowed by applicable law, and any such amount that is not paid when due shall become an additional obligation of Developer to the City secured by a City Leasehold Deed of Trust. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent, termination of the Regulatory Agreement, withdrawal of the Notice of Affordability Restrictions and the termination of this Agreement.

7.17 <u>City's Living Wage Ordinance and Service Contractor Worker Retention Ordinance.</u>

A. Unless otherwise exempt, this Agreement is subject to the applicable provisions of the Living Wage Ordinance (LWO) Section 10.37 et. seq. of the Los Angeles Administrative Code, as amended from time to time, and the Service Contractor Worker Retention Ordinance (SCWRO), Section 10.36 et seq., of the Los Angeles Administrative Code, as amended from time to time. Among other things, the Ordinances require the following:

1. Developer assures payment of a minimum initial wage rate to employees as defined in the LWO and as may be adjusted each July 1 and provision of compensated and uncompensated days off and health benefits as defined in the LWO.

2. Developer further pledges that it will comply with federal law proscribing retaliation for union organizing and will not retaliate for activities related to the LWO. Developer shall require each of its contractors and subcontractors within the meaning of the LWO to pledge to comply with the terms of federal law proscribing retaliation for union organizing. Developer shall deliver the executed pledges from each such contractor and subcontractor to the City within ninety (90) days of the execution of the contract and subcontract. Developer's delivery of executed pledges from each such contractor and subcontractor shall fully discharge the obligation of the Developer with respect to such pledges and fully discharge the obligation of the Developer to comply with the provision in the LWO contained in Section 10.37.6(c) concerning compliance with such federal law.

3. The Developer and any contractor and subcontractor for the project, whether an employer, as defined in the LWO, or any other person employing individuals, shall not discharge, reduce in compensation, or otherwise discriminate against any employee for complaining to the City with regard to the employer's compliance or anticipated compliance with the LWO, for opposing any practice proscribed by the LWO, for participating in proceedings related to the LWO, for seeking to enforce his or her rights under the LWO by any lawful means, or otherwise asserting rights under the LWO. Developer and any contractor and subcontractor for the project shall post the Notice

to Employees Working on City Contracts Re: Living Wage Ordinance and Prohibition Against Retaliation provided by the City.

4. Any contract and subcontract entered into by the Developer and any contractor and subcontractor for the project relating to this Agreement, to the extent allowed hereunder, shall be subject to the provisions of this Section and shall incorporate the provisions of the LWO and the SCWRO.

5. Developer and any contractor and subcontractor for the project shall comply with all rules, regulations and policies promulgated by the City's designated administrative agency which may be amended from time to time.

B. Under the provisions of Section 10.36.3 and Section 10.37.6 of the Los Angeles Administrative Code, the City shall have the authority, under appropriate circumstances, to terminate this Agreement and otherwise pursue legal remedies that may be available if the City determines that the subject Developer and any contractor and subcontractor has violated provisions of either the LWO or the SCWRO or both.

C. Where under the LWO Section 10.37.6, the City's designated administrative agency has determined (a) that the Developer and any contractor and subcontractor for the project is in violation of the LWO in having failed to pay some or all of the living wage, and (b) that such violation has gone uncured, the City in such circumstances may impound monies otherwise due the Developer in accordance with the following procedures. Impoundment shall mean that from monies due the Developer, the City may deduct the amount determined to be due and owing by the Developer and any contractor and subcontractor for the project to its employees. Such monies shall be placed in the holding account referred to in LWO Section 10.37.6 and disposed of under procedures described therein through final and binding arbitration. Whether the Developer and any contractor and subcontractor for the project is to continue work following an impoundment shall remain in the sole discretion of the City. The Developer and any contractors and subcontractors for the project may not elect to discontinue work either because there has been an impoundment or because of the ultimate disposition of the impoundment by the arbitrator.

D. This Agreement is subject to the provisions of Section 10.37.4 of the Los Angeles Administrative Code, with all amendments and revisions thereto. Developer shall and shall cause any contractor and subcontractor for the Project to inform employees making less than Twelve Dollars ($12.00) per hour of their possible right to the federal Earned Income Credit (EIC). Developer shall and shall cause any contractor and subcontractor for the

Project to make available to employees the forms informing the employees about the EIC and the forms required to secure advance EIC payments from Developer, any contractor or subcontractor for the Project.

7.18 City's Equal Benefits Ordinance.

Unless otherwise exempt, this Agreement is subject to the provisions of the Equal Benefits Ordinance (EBO), Section 10.8.2.1 of the Los Angeles Administrative Code, as amended from time to time.

A. During the performance of the project, the Developer certifies and represents that the Developer and any contractor and subcontractor will comply with the EBO.

B. The failure of the Developer to comply or to ensure that any contractor or subcontractor comply with the EBO will be deemed to be a material breach of the Agreement by the City.

C. If the Developer and any contractor and subcontractor fails to comply with the EBO, the City may cancel, terminate or suspend the Agreement, in whole or in part, and all monies due or to become due under the Agreement may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

D. Failure to comply with the EBO may be used as evidence against the Developer in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

E. If the City's designated Administrative Agency determines that a Developer has set up or used its contracting entity for the purpose of evading the intent of the EBO, the City may terminate the Agreement. Violation of this provision may be used as evidence against the Developer in actions taken pursuant to the provisions of the Los Angeles Administrative Code Section 10.40 et seq., Contractor Responsibility Ordinance.

F. The Developer shall post and shall ensure posting the following statement in conspicuous places at its place of business and the project available to employees and applicants for employment:

"During the performance of this project with the City of Los Angeles, the Developer and any contractor or subcontractor will provide equal benefits to its employees with spouses and its employees with domestic partners. Additional information about the City of Los Angeles' Equal Benefits

Ordinance may be obtained from the Department of Public Works, Office of contract Compliance at (213) 847-1922".

7.19. Contractor Responsibility Ordinance.

Unless otherwise exempt, this Agreement is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of the Los Angeles Administrative Code, as amended from time to time, which requires Developer to update its responses to the responsibility questionnaire within thirty calendar days after any change to the responses previously provided if such change would affect Developer's fitness and ability to continue performing under the Agreement.

In accordance with the provisions of the Contractor Responsibility Ordinance, by signing this Agreement, Developer pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in the performance of this Agreement, including but not limited to, laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. The Developer further agrees to: (1) notify the City within thirty calendar days after receiving notification that any government agency has initiated an investigation which may result in a finding that the Developer is not in compliance with all applicable federal, state and local laws in performance of this Agreement and project; (2) notify the City within thirty calendar days of all findings by a government agency or court of competent jurisdiction that the Developer and any contractor and subcontractor for the project has violated the provisions of Section 10.40.3 (a) of the Contractor Responsibility Ordinance; (3) ensure that its subcontractor(s), as defined in the Contract Responsibility Ordinance, submit a Pledge of Compliance to the City; and (4) ensure that its contractor and subcontractor, as defined in the Contractor Responsibility Ordinance, comply with the requirements of the Pledge of Compliance and the requirement to notify the City within thirty calendar days after any government agency or court of competent jurisdiction has initiated an investigation or has found that the contractor or subcontractor has violated Section 10.40.3(a) of the Contract Responsibility Ordinance in performance of the contract or subcontract.

7.20 Slavery Disclosure Ordinance.

Unless otherwise exempt, this Agreement is subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code, as may be amended from time to time. Developer certifies that it has complied with the applicable provisions of the Slavery Disclosure Ordinance. Failure to fully and accurately complete the affidavit may result in termination of this Agreement.

7.21 First Source Hiring Ordinance.

Unless otherwise exempt, this contract is subject to the applicable provisions of the First Source Hiring Ordinance (FSHO), Section 10.44 *et seq.* of the Los Angeles Administrative Code as amended from time to time.

A. Developer shall, prior to the execution of the contract, provide to the Designated Administrative Agency (DAA) a list of anticipated employment opportunities that Developer estimates it will need to fill in order to perform the services under the contract.

B. Developer further pledges that it will, during the term of the contract: (1) at least seven (7) business days prior to making an announcement of a specific employment opportunity, provide notifications of that employment opportunity to the Economic and Workforce Development Department (EWDD), which will refer individuals for interview; (2) interview qualified individuals referred by EWDD; and (3) prior to filing any employment opportunity, the Developer shall inform the DAA of the names of the Referral Resources used, the names of the individuals they referred, the names of the referred individuals who the Developer interviewed and the reasons why referred individuals were not hired.

C. Any contract or subcontract entered into by the Developer relating to this contract, to the extent allowed hereunder, shall be subject to the provisions of FSHO, and shall incorporate the FSHO.

D. Developer shall comply with all rules, regulations and policies promulgated by the DAA, which may be amended from time to time.

Where under the provisions of Section 10.44.13 of the Los Angeles Administrative Code the DAA has determined that the Developer intentionally violated or used hiring practices for the purpose of avoiding the FSHO, that determination will be documented in the Awarding Authority's Contractor Evaluation, required under Los Angeles Administrative Code Section 10.39 *et seq.*, and must be documented in each of the Developer's subsequent Contractor Responsibility Questionnaires submitted under the Los Angeles Administrative Code Section 10.40 *et seq.* This measure does not limit the City's authority to act under the FSHO.

Under the provisions of Section 10.44.8 of the Los Angeles Administrative Code, the Awarding Authority shall, under appropriate circumstances, terminate this contract and otherwise pursue legal remedies that may be available if the DAA determines that the Developer has violated provisions of the FSHO.

7.22 <u>Child Support Assignment Orders</u>**.**

This Agreement is subject to the Child Support Assignment Orders Ordinance, Section 10.10 of the Los Angeles Administrative Code, as amended from time to time. Pursuant to the Child Support Assignment Orders Ordinance, Developer will fully comply with all applicable State and Federal employment reporting requirements for Developer's, contractor's and subcontractor's employees. Developer shall also certify that (1) Developer and any contractor and subcontractor will fully comply with all State and Federal employment reporting requirements applicable to Child Support Assignment Orders; (2) that the principal owner(s) of the Developer(s) are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally; (3) Developer and any contractor or subcontractor will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment in accordance with Section 5230 *et seq.* of the California Family Code; and (4) Developer and any contractor or subcontractor will maintain such compliance throughout the term of this Agreement.

Pursuant to Section 10.10b of the Los Angeles Administrative Code, the failure of Developer to comply with all applicable reporting requirements or to implement lawfully served Wage and Earnings Assignment Orders and Notices of Assignment or the failure of any principal owner(s) of the Developer(s) to comply with any Wage and Earnings Assignment Orders and Notices of Assignment applicable to them personally shall constitute a default by the Developer under the terms of this Agreement, subjecting this Agreement to termination if such default shall continue for more than ninety (90) days after notice of such default to Developer by City.

Any contract and subcontract entered into by the Developer, to the extent allowed hereunder, shall be subject to the provisions of this paragraph and shall incorporate the provisions of the Child Support Assignment Orders Ordinance. Failure of the Developer to obtain compliance of its contractor and subcontractor shall constitute a default by the Developer under the terms of this Agreement, subjecting this Agreement to termination where such default shall continue for more than ninety (90) days after notice of such default to Developer by the City.

Developer certifies that, to the best of its knowledge it is fully complying with the earnings assignment orders of all employees, and is providing the names of all new employees to the New Hire Registry maintained by the Employment Development Department as set forth in Section 7110(b) of the California Public Contract Code.

7.23 Enforcement of Employment Requirements.

In the event of underpayment of wages by Developer or by any contractor or subcontractor employed on the Project, the City, in addition to other rights and remedies afforded by this Agreement or applicable law, may: (1) demand that Developer and/or any underpaying employer comply with these requirements; (2) demand that the underpaying employer pay the difference between the prevailing wage rates and the amount actually paid to workers; (3) withhold from Developer any of the City loan proceeds (if any) as may be necessary to compensate workers the full wages required under this Agreement (whether or not the payee of the City loan (if any) is directly responsible for the underpayment); (4) impose liquidated damages in the form of a forfeiture of up to fifty dollars ($50) per calendar day for each worker paid less than the prevailing wage, the amount of such forfeiture to be determined solely by the City according to the standards contained in California Labor Code Section 1775; and/or (5) pursue any lawful administrative or court remedy to enforce these requirements against the Developer and underpaying employer. Developer shall comply with any demand to pay any amounts due under this section within ten (10) calendar days of said demand. In addition, a worker who has been paid less than the prevailing wage rate shall have a right to commence an action or proceeding against the employer to collect the underpayment.

In the event of any violation or deficiency with respect to the equal opportunity and/or the MBE/WBE provisions herein, including failure to provide adequate documentation as specified herein, by Developer or by any contractor or subcontractor employed on the Project, the City, in addition to other rights and remedies afforded by this Agreement or applicable law, may: (1) demand that any noncomplying party comply with these requirements; (2) withhold disbursement of the City loan proceeds (if any) from Developer or any contractor or subcontractor until such violations are corrected; (3) impose liquidated damages on the noncomplying party in the form of a forfeiture of up to one thousand dollars ($1,000) or one percent (1%) of the contract, whichever is less, the amount of such forfeiture to be determined solely by the City; and/or (4) pursue any lawful administrative or court remedy to enforce these requirements. Any noncomplying party shall comply with any demand to correct any noncompliance within ten (10) business days of said demand.

Developer shall monitor and enforce the equal employment opportunity, minority- and women-owned business enterprises, and prevailing wage requirements imposed on its contractors and subcontractors, including withholding payments to those contractors or subcontractors who violate these requirements. In the event that Developer fails to monitor or enforce these requirements against any contractor or subcontractor, Developer shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Developer was the actual employer, and the City may withhold payments to Developer, may impose liquidated damages on Developer in the amounts specified herein, may take action directly against the contractor or subcontractor as permitted by law, and/or may declare an Event of Default and pursue any of the other remedies available under this Agreement.

7.24 Fair Chance Initiative for Hiring Ordinance.

Unless otherwise exempt under Federal or State law, City Contractors and subcontractors with 10 or more employees are prohibited under Los Angeles Administrative Code Section 10.48 from seeking a job applicant's criminal history information until a job offer is made and from withdrawing a job offer unless the employer performs an assessment of the applicant's criminal history and the duties of the position. Contractors and subcontractors are required to include information regarding the ordinance in all job solicitations and advertisements and to post notices informing job applicants of their rights. Additional information and forms may be found at Department of Public Works, Bureau of Contract Administration at http://bca.lacity.org/.

7.25 Labor Compliance Meeting.

The Developer shall meet with LAHDLA's Labor Compliance staff for a pre-construction briefing on all City construction requirements prior to the issuance of a notice to proceed.

ARTICLE 8. ASSIGNMENT AND TRANSFERS

8.1 Definitions.

As used in this Article 8, the terms "Transfer" and "Permitted Transfer" shall have the respective meanings set forth in Section 1.2 of this Agreement.

8.2 Restrictions on Transfer.

a. Developer represents and agrees that its undertakings pursuant to this Agreement are for the purpose of redeveloping the Site and providing affordable rental housing for Low Income Households, and not for speculation in land holding. Developer further recognizes that the qualifications and identity of Developer are of particular concern to the City, in light of the following: (1) the importance of the redevelopment of the Site to the general welfare of the community; (2) the public assistance that has been made available by law and by the government for the purpose of making such redevelopment possible; and (3) the fact that a change in ownership or control of Developer or any other act or transaction involving or resulting in a significant change in ownership or control of Developer, is for practical purposes a transfer or disposition of the property then owned by Developer. Developer further recognizes that it is because of such qualifications and identity that City is entering into this Agreement with Developer. Therefore, no voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement except as expressly set forth herein.

b. Developer shall not assign all or any part of this Agreement or the Site, or any interest herein, without the prior written approval of the City. Subject to review of documentation effectuating any such proposed assignment or transfer, the City shall provide written confirmation to Developer that a proposed assignment is a Permitted Transfer, if such be the case, as provided in Section 8.4.a., below.

c. For the reasons cited above, Developer represents and agrees for itself and any successor in interest that, without the prior written approval of the City, there shall be no significant change in the ownership of Developer or in the relative proportions thereof, or with respect to the identity of the parties in control of Developer or the degree thereof, by any method or means, except by Permitted Transfers.

d. Any assignment or transfer of this Agreement or the Site or any interest herein or therein or significant change in ownership of Developer, other than a Permitted Transfer, shall require the prior written approval of the City. To the extent the City's approval of an assignment or transfer is required by this Agreement, in granting or withholding its approval, the City shall base their decision upon: (i) the relevant experience, financial capability and reputation of the proposed assignee or transferee; and (ii) the effect, if any, of such proposed transfer on the public purposes of this Agreement. In addition, the City shall have the right, in its sole discretion, to disapprove any assignment or transfer of this Agreement or any interest herein or significant change in ownership of Developer or transfer of the Site that results in payment of consideration to any Person, prior to the issuance of the Certificate of Completion, that is not conditioned upon the issuance of the Certificate of Completion. In the event LAHD denies a request for a Transfer or assignment of this Agreement, except a Permitted Transfer, LAHD, as applicable, shall set forth its reasons for denying such request in writing.

e. Developer shall promptly notify the City of any and all changes whatsoever in the identity of the parties in control of Developer or the degree thereof, of which it or any of its officers have been notified or otherwise have knowledge or information. Except for Permitted Transfers, any significant change (voluntary or involuntary) in ownership or control of Developer (other than changes occasioned by the death or incapacity of any individual or approved in advance in writing by the City) shall constitute a default under this Agreement. In the event of the death or incapacity of any individual who controls Developer or the managing member or general partner of Developer, any resulting change in the management of the Project or the control of the day-to-day operations of the Site and the Improvements shall be subject to the approval of the LAHD General Manager, which approval shall not be unreasonably withheld, conditioned or delayed.

8.3 Prohibited Transfers.

The limitations on Transfers set forth in this Article 8 shall apply from the Effective Date of this Agreement until the latest of (a) issuance of a Certificate of Completion by the City to the Developer; (b) the date the City Rent and City debts, if any, related to this Agreement, Ground Lease and City Development Documents, is repaid in full; and (c) the date the Regulatory Agreement expires. Except for Permitted Transfers and as expressly permitted in this Agreement, the Developer represents and agrees that the Developer has not made or created, and shall not make or create or suffer to be made or created, any Transfer, either voluntarily or by operation of law, without the prior approval of the City.

Any Transfer made in contravention of this Section 8.3 shall be void and shall be deemed to be a default under this Agreement, whether or not the Developer knew of or participated in such Transfer.

8.4 Effectuation of Transfers.

a. In the event of a Permitted Transfer, Developer shall submit to the City such documentation as the LAHD General Manager or designee may determine is sufficient to document that such Transfer is a Permitted Transfer.

b. In the event of a Transfer other than a Permitted Transfer, the proposed transferee for which the City's approval is required shall have the relevant experience, financial capability and reputation necessary to fulfill the obligations undertaken in this Agreement by the Developer and otherwise acceptable to the City. LAHD shall grant or deny approval of a proposed Transfer within thirty (30) calendar days of receipt by the LAHD of the Developer's request for approval of a Transfer, by Notice as required by Section 11.2 of this Agreement, accompanied by the deposit required by paragraph e. of this Section 8.4, below, which request shall include evidence of the proposed transferee's business expertise and financial capacity.

c. Any Transfer otherwise authorized or approved pursuant to this Agreement (including Permitted Transfers and other Transfers for which the City's approval is required) shall not be permitted unless, at the time of the Transfer, the person or entity to which such Transfer is made, by an agreement reasonably satisfactory to the City and in form recordable in the Office of the Los Angeles County Recorder, expressly agrees to perform and observe, from and after the date of the Transfer, the obligations, terms and conditions of this Agreement; provided, however, that no such transferee shall be liable for the failure of its predecessor to perform any such obligation.

d. Any assignment of rights and/or delegation of obligations under this Agreement in connection with a Transfer (whether or not the City's approval is required) shall be in writing executed by Developer and the assignee or transferee, which written agreement shall name the City as expressed third party beneficiaries with respect to such agreement (the "Assumption Agreement") with a copy thereof delivered to the City within ten (10) Business Days after the effective date thereof. Upon assignment or transfer of this Agreement pursuant to an Assumption Agreement, the assignor shall be relieved of liability with respect to any such obligations relating to the Project assumed by the assignee. Notwithstanding the foregoing, unless such assignee specifically assumes pursuant to the Assumption Agreement the obligations under this Agreement to indemnify the City with respect to the Project, the assignor shall retain such obligations and remain jointly and severally liable for such indemnity obligations with such assignee. This indemnity obligation shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent, termination of the Regulatory Agreement, withdrawal of the Notice of Affordability Restrictions and the termination of this Agreement.

e. Developer shall reimburse the City for all actual staff time and consultant (legal and financial) costs associated with the City's review and consideration of any request for approval of a Transfer. The City shall not be obligated to act on any request for approval of a Transfer unless Developer shall deposit with the City the sum of Ten Thousand Dollars ($10,000), which amount shall be subject to adjustment equal to the cumulative annual increase, if any, in the Consumer Price Index since 2011, together with its request for approval of a Transfer. If the costs of the City's review is less than the amount deposited, the excess deposit shall be returned to Developer. If the costs of the City's review exceed the deposit amount, the City shall send the Developer a bill for the costs and Developer shall promptly pay the City the additional costs.

ARTICLE 9. SECURITY FINANCING AND RIGHTS OF LENDERS

9.1 No Encumbrances Except for Development Purposes.

a. Until the Conditions Precedent to the Close of Escrow set forth in Section 3.1 of this Agreement have been satisfied and the Close of Escrow occurs, Developer shall not place mortgages, deeds of trust, or any other encumbrances as security for loans on the Site.

b. From and after the Close of Escrow, mortgages, deeds of trust, and other real property security instruments are permitted to be placed upon the Developer's interest in the Site to the extent consistent with Developer's Financing Plan and Project Budget as approved by the City. Such permitted security instruments and related interests shall be referred to as "Security Financing Interests." The Developer shall promptly notify the City in writing of any Security Financing Interest that Developer intends to record against the Site. The documents evidencing the Security Financing Interests shall provide that in the event of a Developer default, the holder of the Security Financing Interest shall send notice of the default to the LAHD concurrently with its notice to the Developer.

c. The Developer may record Security Financing Interests on the Site only for the purpose of securing Construction Loans and Permanent Loans identified in the Project Budget or Financing Plan approved by the City, and any refinancing of any such approved financing, subject to the City's consent.

d. No permitted Security Financing Interest will encumber any interest in the Site other than the leasehold interest of Developer in the leased premises under the City Ground Lease and Developer's fee ownership of the Improvements located on such leased Site.

9.2 Lender Not Obligated to Construct.

The holder of any Security Financing Interest authorized by this Agreement ("Permitted Lender") is not obligated to construct or complete any improvements or to guarantee such construction or completion, nor shall any covenant or any other provision of this Agreement be construed so to obligate such Permitted Lender. However, nothing in this Agreement shall be deemed to permit or authorize any such Permitted Lender to devote the Site or any portion thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or authorized by this Agreement.

9.3 Notice of Default and Right to Cure.

a. Whenever the City delivers to Developer any notice of breach (or demand for performance) with respect to the commencement, completion, or cessation of the construction of the Project, LAHD shall at the same time deliver such notice to each Permitted Lender and the Tax Credit Investor. Each Permitted Lender and the Tax Credit Investor shall (insofar as the rights of the City is concerned) have the right, but not the obligation, at its option, within twenty (20) Business Days after the receipt of the notice, to cure or remedy or commence to cure or remedy any such default or breach which is subject to the lien of the Security Financing Interest held by such holder and to add the cost thereof to the security interest debt and the lien on its security interest. Any such increase in a Security Financing Interest, limited to the amount needed to cure or remedy such default, shall not require additional approval by the City. Nothing contained in this Agreement shall be deemed to permit or authorize any Permitted Lender to undertake or continue construction or completion of the Project (beyond the extent necessary to conserve or protect such improvements or construction already made) without first having expressly assumed in writing the Developer's obligations to the City under this Agreement. The Permitted Lender in that event must agree to complete, in the manner provided in this Agreement, the development of the Project. Any such holder properly completing the development of the Project pursuant to this section shall assume all rights and obligations of Developer under this Agreement and shall be entitled, upon written request made to the City, to a Certificate of Completion from the City.

b. If a non-monetary event of default occurs under the terms of this Agreement, prior to exercising any remedies hereunder, LAHD shall give Developer, any Permitted Lender and the Tax Credit Equity Investor, as identified in Developer's LLC Agreement or partnership agreement, as the case may be, simultaneous notice of such default. If the default is reasonably capable of being cured within twenty (20) Business Days after such notice is received or deemed received, Developer shall have such period to effect a cure prior to exercise of remedies by the City under this Agreement. If the default is such that it is not reasonably capable of being cured within twenty (20) Business Days, and Developer (i) initiates corrective action within said period, and (ii) diligently and in good faith works to effect a cure as soon as possible, then Developer shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by the City. If Developer fails to take corrective action or to cure the default within a reasonable time, the City shall give Developer, any Permitted Lender and the Tax Credit Equity Investor written notice thereof, whereupon the Tax Credit Equity Investor may exercise any authority it may have under the Developer's LLC Agreement or partnership agreement, as the case may be, and the Permitted Lender may exercise any authority it may have under its financing agreements with Developer, to take corrective action, which may include, among other things, removing and replacing the managing member or general partner with a substitute managing member or general partner who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. In no event shall the City be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) calendar days after the notice of default is received or deemed received.

9.4 Failure of Permitted Lender to Complete Project.

In any case where six (6) months after default by the Developer, a Permitted Lender has not exercised its right to commence to complete the construction of the Project, or, having commenced to complete the construction of the Project has failed to complete the Project in a timely manner, the City shall be afforded those rights against such Permitted Lender it would otherwise have against the Developer under this Agreement.

9.5 Right of the City to Cure.

In the event of a default or breach by the Developer under the terms of any Security Financing Interest prior to the completion of construction of the Project, and if the Permitted Lender has not exercised its right to commence to complete the construction of the Project, or, having commenced to complete the construction of the Project has failed to complete the Project in a timely manner, the City may, upon prior written notice to the Developer, cure the default or breach, prior to the completion of any foreclosure. In such event, the City shall be entitled to reimbursement from the Developer of all costs and expenses incurred by the City in curing the default. The City shall also be entitled to a lien upon the Project and/or Site to the extent of such costs and disbursements. The City agree that such lien shall be subordinate to any Senior Loan, and the City shall execute from time to time any and all documentation reasonably requested by the Developer to effect such subordination.

9.6 Permitted Lenders to be Notified.

The Developer shall obtain and submit to the City acknowledgement of this Article 9 by each holder of a Security Financing Interest prior to recordation of such Security Financing Interest.

9.7 Modifications.

If a Permitted Lender or Tax Credit Equity Investor should, as a condition of providing funding for the Project, request any modification of this Agreement in order to protect its interests in the Project or this Agreement, the LAHD General Manager shall consider such request in good faith consistent with the purpose and intent of this Agreement and the rights and obligations of the Parties under this Agreement. The LAHD's General Manager shall have the authority to approve revisions to the terms of this Agreement requested in writing by a Permitted Lender or Tax Credit Equity Investor that are not material revisions if he/she reasonably determines that such revisions: (a) are limited to minor, technical or procedural matters; (b) do not increase the amount of the City Rent and debts to the City related to this Agreement, Ground Lease and city Development Documents; (c) do not result in a reduction of equity and loan funds sufficient to complete the Project; (d) do not materially adversely affect the economic feasibility of the Project; (e) do not materially adversely affect City fee title to the Site; (f) do not materially adversely affect the security of the City Leasehold Deed of Trust, if any; (g) do not materially modify the Conditions Precedent to the Close of Escrow; and (h) do not materially reduce any benefit to the City or the public pursuant to this Agreement. The City shall have the right to approve or disapprove such non-material changes in his/her sole discretion, or may refer such decision to LAHD. Material revisions of this Agreement shall require the prior approval of the City.

ARTICLE 10. DEFAULT AND REMEDIES

10.1 Defaults – General.

a. Subject to the extensions of time set forth in Section 11.3 of this Agreement, failure or delay by either Party to perform or to comply with any term or provision of this Agreement shall constitute an Event of Default under this Agreement. The Party who fails or delays must commence to cure, correct or remedy such failure or delay and shall complete such cure, correction or remedy with reasonable diligence.

b. The injured Party shall give written notice of default to the Party in default, specifying the default complained of by the injured Party. Failure or delay in giving such notice shall not constitute a waiver of any default, nor shall it change the time of default. Except as otherwise expressly provided in this Agreement, any failures or delays by either Party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

c. If a monetary Event of Default occurs, prior to exercising any remedies hereunder, the injured Party shall give the Party in default written notice of such default. The Party in default shall have a period of ten (10) Business Days after such notice is received or deemed received within which to cure the default prior to exercise of remedies by the injured Party.

d. If a non-monetary Event of Default occurs, prior to exercising any remedies hereunder, the injured Party shall give the Party in default notice of such default. If the default is reasonably capable of being cured within twenty (20) Business Days after such notice is received or deemed received, the Party in default shall have such period to effect a cure prior to exercise of remedies by the injured Party. If the default is such that it is not reasonably capable of being cured within twenty (20) Business Days, and the Party in default (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then the Party in default shall have such additional time as is reasonably necessary, but not more than one hundred eighty (180) calendar days, to cure the default prior to exercise of any remedies by the injured Party.

e. If Developer fails to take corrective action or cure the default within a reasonable time, LAHD shall give each Permitted Lender and, as provided in paragraph f., below, the Tax Credit Equity Investor, notice thereof. The Tax Credit Equity Investor may take such action, including removing and replacing the managing member or managing general partner of Developer with a substitute managing member or managing general partner, who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. The City agrees to accept cures tendered by any Permitted Lender or Tax Credit Equity Investor within the cure periods provided in this Agreement, Ground Lease and City Development Documents. Additionally, in the event any Permitted Lender or Tax Credit Equity Investor is precluded from curing a non-monetary default due to a bankruptcy, injunction, or similar proceeding by or against Developer or the managing member or managing general partner of Developer, the City agrees to forbear from completing a foreclosure under this Agreement (judicial or non-judicial) during the period during which the Senior Lender or Tax Credit Equity Investor is so precluded from acting, not to exceed ninety (90) calendar days, provided such Tax Credit Equity Investor and Senior Lender are otherwise in compliance with the foregoing provisions. In no event shall the City be precluded from exercising remedies if its rights become or are about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) calendar days after the first notice of default is given.

f. After Developer gives written notice to the City of the admission to Developer's limited liability company or limited partnership of the Tax Credit Equity Investor, LAHD shall send to the Tax Credit Equity Investor a copy of all notices of default and all other notices that LAHD sends to Developer, at the address for the Tax Credit Equity Investor as provided by written notice to the City by Developer.

10.2 <u>Institution of Legal Actions</u>.

In addition to any other rights or remedies (and except as otherwise provided in this Agreement), either Party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Los Angeles, State of California, in any other appropriate court of that county, or in the United States District Court for the Central District of California.

10.3 Applicable Law.

The laws of the State of California shall govern the interpretation and enforcement of this Agreement.

10.4 Acceptance of Service of Process.

a. In the event that any legal action is commenced by Developer against the City, service of process on the City shall be made by personal service upon the City Clerk, or in such other manner as may be provided by law.

b. In the event that any legal action is commenced by the City against Developer, service of process on Developer shall be made by personal service upon Developer (or upon the managing member or managing general partner or any officer of Developer) and shall be valid whether made within or without the State of California, or in such manner as may be provided by law.

10.5 Rights and Remedies Are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

10.6 Damages.

Subject to the notice and cure provisions of Section 10.1 of this Agreement, if either Party defaults with regard to any of the provisions of this Agreement, the non-defaulting Party shall serve written notice of such default upon the defaulting Party. If the default is not cured within the time provided in Section 10.1 of this Agreement, the defaulting Party shall be liable to the non-defaulting Party for any damages caused by such default, and the non-defaulting Party may thereafter (but not before) commence an action for damages against the defaulting Party with respect to such default. In no event shall the City be liable to Developer for any attorney’s fees.

10.7 Specific Performance.

Subject to the notice and cure provisions of Section 10.1 of this Agreement, if either Party defaults with regard to any of the provisions of this Agreement, the non-defaulting Party shall serve written notice of such default upon the defaulting Party. If the default is not cured within the time provided in Section 10.1 of this Agreement, the non-defaulting Party, at its option, may thereafter (but not before) commence an action for specific performance of the terms of this Agreement pertaining to such default.

10.8 Termination by Either Party.

Prior to the Close of Escrow, either Party shall have the right to terminate this Agreement, by providing written notice to the other Party, in the event of a failure of any Condition Precedent to the Close of Escrow as set forth in Section 3.1 of this Agreement, provided that such condition is for the benefit of and such failure is outside the control of the Party seeking to terminate this Agreement. Upon such termination, neither the City nor Developer shall have any further rights against or liability to the other under this Agreement, except for indemnification rights that survive termination of this Agreement.

10.9 Termination by the City.

a. Subject to the notice and cure provisions of Section 10.1 of this Agreement, the City shall have the right, prior to the Close of Escrow, to terminate this Agreement by providing written notice to Developer, in the event of a default by Developer or failure of any Condition Precedent to the Close of Escrow, including but not limited to the following:

(1) Developer fails to submit to the City evidence of financing or fails to satisfy any other Condition Precedent to the Close of Escrow, within the time established thereforth in this Agreement or the Schedule of Performance; or

(2) Developer (or any successor in interest) assigns or attempts to assign any of Developer’s rights in and to the Site or any portion thereof or interest therein, or this Agreement or any portion hereof, except as permitted by this Agreement; or

(3) there is substantial change in the ownership of Developer, or with respect to the identity of the parties in control of Developer, or the degree thereof contrary to the provisions of Section 8.2 of this Agreement; or

(4) Developer fails to submit any of the plans, drawings and related documents required by this Agreement by the respective dates provided in this Agreement therefor; or

(5) there is any other material default by Developer under the terms of this Agreement which is not cured within the time provided herein.

b. After the Close of Escrow but before the issuance of the Certificate of Completion, the City shall have the additional right to terminate this Agreement in the event any of the following defaults shall occur:

(1) Developer fails to commence construction of the Improvements as required by this Agreement and such breach is not cured within the time provided in Section 10.1 of this Agreement, provided that Developer shall not have obtained an extension or postponement to which Developer may be entitled pursuant to Section 11.3 hereof; or

(2) Developer abandons or substantially suspends construction of the improvements and such breach is not cured within the time provided in Section 10.1 of this Agreement, provided Developer has not obtained an extension or postponement to which Developer may be entitled to pursuant to Section 11.3 hereof; or

(3) Developer assigns or attempts to assign this Agreement, or any rights herein, or transfer, or suffer any involuntary transfer of the Site, or any part thereof, in violation of this Agreement, and such breach is not cured within the time provided in Section 10.1 of this Agreement; or

(4) Developer otherwise materially breaches this Agreement, and such breach is not cured within the time provided in Section 10.1 of this Agreement.

10.10 Survival.

Upon termination of this Agreement pursuant to this Article 10, all indemnification provisions set forth in this Agreement and any other provisions of this Agreement which by their terms are to survive termination hereof shall survive such termination. This Section 10.10 is for reference purposes only, and does not alter the scope or nature of the surviving provisions.

10.11 Inaction Not a Waiver of Default.

Any failures or delays by either Party in asserting any of its rights and remedies as to any Default shall not operate as a waiver of any Default or of any such rights or remedies, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

10.12 No Attorneys' Fees.

Should legal action be brought by either Party for breach of this Agreement or to enforce any provision, neither Party in such action shall be entitled to attorneys' fees, court costs and other litigation expenses, including, without limitation, expenses incurred for preparation and discovery, and on appeal.

ARTICLE 11. GENERAL PROVISIONS

11.1 Developer Representations and Warranties.

The Developer represents and warrants to the City, as follows:

a. Organization. The Developer is _________, a California ________________,whose administrative general partner is _____________________, a California ___________, whose member is ____________________, a California _____________, each of which is duly organized, validly existing and in good standing under the laws of the State of California, with full power and authority to conduct its business as presently conducted and to execute, deliver and perform its obligations under this Agreement.

b. Authorization. The Developer has taken all necessary action to authorize its execution, delivery and, subject to any conditions set forth in this Agreement, performance of the Agreement. Upon the date of this Agreement, this Agreement shall constitute a legal, valid and binding obligation of the Developer, enforceable against it in accordance with its terms.

c. No Conflict. The execution, delivery and performance of this Agreement by the Developer does not and shall not materially conflict with, or constitute a material violation or material breach of, or constitute a default under (i) the charter or incorporation documents of the Developer, (ii) any applicable law, rule or regulation binding upon or applicable to the Developer, or (iii) any material agreements to which the Developer is a party.

d. No Litigation. Unless otherwise disclosed in writing to the City prior to the date of this Agreement, there is no existing or, to the Developer's actual knowledge, pending or threatened litigation, suit, action or proceeding before any court or administrative agency affecting the Developer or, to the best knowledge of the Developer, the Site that would, if adversely determined, materially and adversely affect the Developer or the Site or the Developer's ability to perform its obligations under this Agreement or to develop and operate the Project.

e. Licenses, Permits, Consents and Approvals. Developer and/or any person or entity owning or operating the Site has duly obtained and maintained, or shall duly obtain and maintain, and shall continue to obtain and maintain, all licenses, permits, consents and approvals required by all applicable governmental authorities to own and operate the business on the Site.

11.2 Notices.

Formal notices, demands, and communications between the City and the Developer shall be sufficiently given if, and shall not be deemed given unless given in writing and dispatched by certified mail, return receipt requested, or by electronic facsimile transmission followed by delivery of a “hard” copy, or by personal delivery (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), with a receipt showing date of delivery, to the principal offices of the LAHD and the Developer as follows:

LAHD:	Los Angeles Housing Department 1200 W. 7th Street, Suite 900 Los Angeles, CA 90017 Attn: General Manager
With copies to:	Los Angeles Housing Department Asset Management Division 1200 W. 7th Street, Suite 900 Los Angeles,CA 90017 Attn: Asset Manager
Developer:	____________________________ ____________________________ Attn: ________________________
With copies to:	____________________________

Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party may from time to time designate by mail as provided in this Section 11.2. Delivery shall be deemed to have occurred at the time indicated on the receipt for delivery or refusal of delivery.

11.3 Enforced Delay: Extension of Time of Performance.

a. In addition to specific provisions of this Agreement, the time for performing non-monetary obligations pursuant to this Agreement shall be extended and non-monetary performance by either Party shall not be deemed to be in default where delays are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; quarantine restrictions; freight embargoes; acts of god; severe or unusual shortages of materials or labor; uncommon inclement weather of an extreme or exceptional nature, unavoidable casualty; or court order; or any other similar causes (other than lack of funds of the Developer or the Developer's inability to finance the construction of the Project) beyond the control or without the fault of the Party claiming an extension of time to perform.

b. An extension of time for any such cause (a “Force Majeure Delay”) shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within twenty (20) Business Days of knowledge of the commencement of the cause. Notwithstanding the foregoing, none of the foregoing events shall constitute a Force Majeure Delay unless and until the Party claiming such delay and interference delivers to the other Party written notice describing the following: the event; its cause; when and how such Party obtained knowledge; the date the event commenced; a reasonable causal connection between the event and the need to extend the time of such Party’s performance; and the estimated delay resulting from the event. Any Party claiming a Force Majeure Delay shall deliver such written notice within twenty (20) Business Days after it obtains actual knowledge of the event. Times of performance under this Agreement may also be extended in writing by the City and Developer.

11.4 Conflict of Interest.

a. No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is, directly or indirectly, interested.

b. Developer warrants that it has not paid or given, and shall not pay or give, any third person any money or other consideration for obtaining this Agreement.

11.5 Non-liability of City Officials and Employees.

No member, official, agent, legal counsel or employee of the City shall be personally liable to Developer, or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer or successor or on any obligation under the terms of this Agreement.

11.6 Inspection of Books and Records.

a. Prior to Completion, the City shall have the right at all reasonable times to inspect the books and records of Developer pertaining to the development of the Site as pertinent to the purposes of this Agreement. Developer shall also have the right at all reasonable times to inspect the books and records of LAHD pertaining to the Site as pertinent to the purposes of this Agreement.

b. In addition, at all times prior to the expiration of the Regulatory Agreement, and/or repayment in full of the City Rent and debts to the City , whichever occurs later, the City shall have the right at all times to inspect the books and records of Developer pertaining to the operation of the Site.

11.7 Approvals.

a. Except as otherwise expressly provided in this Agreement, approvals required of the City or Developer in this Agreement, including the attachments hereto, shall not be unreasonably withheld, delayed or conditioned. All approvals shall be in writing. Failure by either Party to approve or disapprove a matter within the time provided for approval or disapproval of the matter shall not be deemed either approval or disapproval of the matter unless this Agreement specifically provides otherwise. Notwithstanding the foregoing, nothing contained in this Agreement shall restrict or limit the exercise of discretion by the Mayor, City Council or any member of the City Council in approving or disapproving this Agreement or any proposed material revisions or amendments to this Agreement, which approval may be granted or denied in the sole and absolute discretion of the City.

b. Whenever this Agreement calls for City approval, consent, or waiver, the written approval, consent, or waiver of, the LAHD General Manager shall constitute the approval, consent, or waiver of the City, without further authorization required from the City Council and Mayor. The City hereby authorizes the LAHD's General Manager to deliver such approvals or consents as are required by this Agreement, or to waive requirements under this Agreement, on behalf of the City. However, subject to Section 9.7 of this Agreement, any material modification and any amendment to this Agreement shall require approval by the City Council and Mayor.

11.8 Real Estate Commissions.

Neither Developer nor the City shall be liable for any real estate commissions or brokerage fees which may arise from this Agreement. Developer and the City each represents that it has engaged no broker, agent or finder in connection with this Agreement.

11.9 Construction and Interpretation of Agreement.

a. The language in all parts of this Agreement shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The parties hereto acknowledge and agree that this Agreement has been prepared jointly by the parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each Party has been given the opportunity to independently review this Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Agreement, this Agreement shall not be interpreted or construed against the Party preparing it, and instead other rules of interpretation and construction shall be utilized.

b. If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by any Party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. It is the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement an enforceable clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible.

c. Any titles of the articles, sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of its provision.

d. References in this instrument to this "Agreement" mean, refer to and include this instrument as well as any riders, exhibits, addenda and attachments hereto (which are hereby incorporated herein by this reference) or other documents expressly incorporated by reference in this instrument. Any references to any covenant, condition, obligation, and/or undertaking "herein," "hereunder," or "pursuant hereto" (or language of like import) shall mean, refer to, and include the covenants, obligations, and undertakings existing pursuant to this instrument and any riders, exhibits, addenda, and attachments or other documents affixed to or expressly incorporated by reference in this instrument.

e. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and vice versa.

11.10 Time of Essence.

Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement.

11.11 Relationship of the Parties.

Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture, or any other similar relationship between the parties hereto or cause the City to be responsible in any way for the debts or obligations of Developer or any other Person.

11.12 Compliance with Law.

Developer agrees to comply with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the development and use of the Site and the Improvements, as well as operations conducted thereon. The judgment of any court of competent jurisdiction, or the admission of Developer or any lessee or permittee in any action or proceeding against them, or any of them, whether the City be a party thereto or not, that Developer, lessee or permittee has violated any such ordinance or statute in the development and use of the Site shall be conclusive of that fact as between the City and Developer and shall therefore allow the City to exercise any and all remedies set forth in the City's Contractor/Developer Responsibility Policy.

11.13 Binding Effect.

This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

11.14 Rights of Third Parties.

a. Except as otherwise expressly provided in this Agreement and the Regulatory Agreement, this Agreement shall not be deemed to confer any rights upon, nor obligate either of the Parties to this Agreement to any person or entity not a Party to this Agreement, and the Parties explicitly disclaim any intent to create a third party beneficiary relationship with any person or entity as a result of this Agreement.

b. The City shall be a beneficiary retaining enforcement rights with respect to this Agreement.

c. The covenants and restrictions relating to the Affordable Housing Units set forth in Article 7 of this Agreement and in the Regulatory Agreement shall run with the land and shall be enforceable against any owner of the Site who violates a covenant or restriction and each successor in interest who continues the violation by any of the following:

1. The City;

2. A resident of any of the Affordable Units;

3. A residents' association with members who reside in the Affordable Units;

4. A former resident of an Affordable Unit;

5. An applicant seeking to enforce the covenants or restrictions for a particular Affordable Unit, if the applicant conforms to all of the following:

   (A) Is of Low or Moderate Income;

   (B) Is able and willing to occupy that particular Affordable Unit; and

   (C) Was denied occupancy of that particular Affordable Unit due to an alleged breach of a covenant or restriction set forth in the Regulatory Agreement; and

6. A person on an affordable housing waiting list who is of Low or Moderate Income and who is able and willing to occupy an Affordable Unit.

11.15 Authority to Sign.

Developer hereby represents that the persons executing this Agreement on behalf of Developer have full authority to do so and to bind Developer to perform pursuant to the terms and conditions of this Agreement.

11.16 Use of Project Images.

a. Developer hereby consents to and approves the use by the City of images of the Project, its models, plans and other graphical representations of the Project and its various elements ("Project Images") in connection with marketing, public relations, and special events, websites, presentations, and other uses required by the City in connection with the Project. Such right to use the Project Images shall not be assignable by the City to any other party (including, without limitation, any private party) without the prior written consent of Developer. Developer shall obtain any rights and/or consents from any third parties necessary to provide these Project Image use rights to the City.

b. Any publicity generated by Developer for the Project during the term of the Ground Lease shall make reference to the contribution of the City of Los Angeles in making the Project possible. The words "City of Los Angeles" shall 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. Developer further agrees to cooperate with authorized staff and officials of the City in any City-generated publicity or promotional activities undertaken with respect to the Project.

11.17 Plans and Data.

If Developer does not proceed with the lease or development of the Site, or if this Agreement is terminated for any reason, other than the breach of this Agreement by the City, Developer shall deliver to the City, without cost or expense to the City, any and all plans, drawings, studies, designs, reports, surveys, and data pertaining to the site and its development (collectively, "Site Designs") which are in the possession of Developer, together with a Bill of Sale therefor, which Site Designs shall thereupon be the sole property of the City, free of all claims or interests of Developer or any other person; and which the City may use, grant, license or otherwise dispose of to any person for development of the Site or any other purpose. To secure the obligations set forth in this Section and as a condition precedent to the execution of the Ground Lease, Developer shall execute and cause its architect and contractor, as the case may be, and shall deliver to the City an Assignment of Agreements, Plans, Specifications and Entitlements substantially in the form of the instrument attached to this Agreement as **Exhibit G** to Part I of Exhibits.

11.18 Applicable Law.

A. This Agreement shall be interpreted under and pursuant to the laws of the State of California. The Developer shall carry out the administration of this Agreement and the construction and operation of the Project, in conformity with all applicable laws, to the extent they may apply, including, but not limited to the following applicable federal and state laws, as may be amended from time to time:

1. The Fair Housing Act, Title VIII of the Civil Rights Act of 1968, as amended, 42 U.S.C. §3601, *et seq* and implementing regulations at 24 C.F.R. Part 100, *et seq*, including, without limit, the design and construction requirements set forth in 42 U.S.C. §3604(f)(3) and the corresponding rules of HUD.

2. Executive Order 11063, as amended by Executive Order 12259 (3 CFR, 1959-1963 Comp., p. 652 and 3 CFR, 1980 Comp., p. 307) (Equal Opportunity in Housing Programs) and implementing regulations at 24 C.F.R. Part 107.

3. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4)(Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 C.F.R. Part 1; and its implementing regulations and as applied through Executive Order No. 13166, entitled "Improving Access to Services for Persons with Limited English Proficiency" ("LEP"), which requires recipients of federal funds, including Developer, to take reasonable steps to insure meaningful access to its programs and activities by persons with LEP as more fully described in HUD's final guidance contained in Federal Register, Volume 72, No. 13.

4. Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, 42 U.S.C. 2000e.

5. Title IX of the Education Amendments of 1972, as amended (20 USC §1681-§1683, and §1685-§1686).

6. Drug Abuse Office and Treatment Act of 1972, P.L. 92-255, as amended, relating to nondiscrimination on the basis of drug abuse.

7. Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616 as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism.

8. Public Health Service Act of 1912, 42 USC 290 dd-3 and 290 ee-3, as amended, relating to confidentiality of alcohol and drug abuse patient records.

9. Genetic Information Nondiscrimination Act of 2008 (GiNA) P.L. 110-233

10. The Age Discrimination Act of 1975, 42 U.S.C. 6101-07, and implementing regulations at 24 CFR Part 146.

11. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 and implementing regulations at 24 C.F.R. Part 8, including the design and construction requirements of the Uniform Federal Accessibility Standards (UFAS), 24 C.F.R. Part 40 or any other applicable or successor design and construction requirements.

12. Architectural Barriers Act of 1968, 42 U.S.C. 4151-4157.

13. Americans With Disabilities Act 42, U.S.C. 12101 *et seq.*, its implementing regulations at 28 CFR Part 35, and the Americans with Disabilities Amendments (ADAAA) Pub. L. 110-325 and all subsequent amendments, including the 2010 Standards for Accessible Design as defined in 28 C.F.R. § 35.104 and as applied to public entities (excluding any elevator exceptions).

14. Alternative Accessibility Standard for new construction per HUD's Notice at 79 Fed. Reg. 29,671 (May 23, 2014).

15. Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4821-4826 and implementing regulations at 24 CFR Part 35.

16. Executive Order 12372 and implementing regulations at 24 CFR Part 52.

17. Flood Disaster Act of 1973, 42 U.S.C. 4001, *et seq.*

18. Wild and Scenic Rivers Act of 1968, 16 U.S.C. 1271, *et seq.*

19. Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq.

20. Drug Free Workplace Act of 1988, 41 U.S.C. 701 et seq and HUD's implementing regulations at 2 C.F.R. part 2429; 28 C.F.R. Part 83; California Drug-Free Workplace Act of 1990, California Government Code Section 8350-8357.

21. Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, 42 U.S.C. 4601, *et seq.* and 24 CFR Part 42.

22. Office of Management and Budget ("OMB") Circulars: OMB Circular A-21 (Cost Principles for Educational Institutions); OMB Circular A-87 (Cost Principles for State, Local, and Indian Tribal Governments); OMB Circular A-110 (Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations); OMB Circular A-122 (Cost Principles for Non-Profit Organizations); OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations), and as codified in 2 CFR part 200 and 2 CFR part 2400.

23. Hatch Act, 5 U.S.C. 1501-1508 and 7324-7328

24. Copeland Act, 40 U.S.C. 276c and 18 U.S.C. 874

25. Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-333.

26. Federal Fair Labor Standards Act, 29 U.S.C. 201

27. Pursuant to California Government Code Section 16645, *et seq*, none of the funds shall be used to promote or deter Union/Labor organizing activities.

28. California Child Abuse and Neglect Reporting Act, California Penal Code Section 11164 *et seq.* and specifically Sections 11165.7, 11165.9, and 11166.

29. Section 106 of the National Historic Preservation Act of 1966, as amended, 16 U.S.C. 470, EO 11593, and the Archaeological and Historic Preservation Act of 1974, 16 U.S.C. 469A-1 *et seq*.

30. Project requirements in 92 C.F.R. Part 92, Subpart F, as applicable in accordance with the type of project assisted under HOME Funds.

31. The Housing and Community Development Act of 1974, 42 U.S.C. 5301, *et seq.*

32. Uniform Administrative requirements in 24 C.F.R. Part 84 and as described in OMB Circular A-122.

33. Community Housing Development Organization requirements in 24 C.F.R. Sections 92.300, 92.301 and 92.303.

34. Eligible Community Development Block Grant Program activities under 24 C.F.R. Sections 570.200-570.207.

35. Measure JJJ of the November 8, 2016 Los Angeles City Special Municipal Election, Section 5 Affordable Housing and Good Jobs (to be codified in Sections 11.5.11 of the Los Angeles Municipal Code and Section 5.522 of the Los Angeles Administrative Code).

B. Developer must comply with Public Law 103-227, Part C—Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), if applicable. This Act requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by an entity and used routinely or regularly for the provision of health, day care, education or library services to children under the age of 18, if the services are funded by Federal programs either directly or indirectly or through State and local governments. Federal programs include grants, cooperative agreements, loans or loan guarantees and contracts. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds and portions of facilities used for inpatient drug and alcohol treatment. Developer further agrees that the above language will be included in any subcontracts that contain provisions for children's services and that all subcontractors shall certify compliance accordingly.

C. Developer acknowledges that it is aware of liabilities resulting from submitting a false claim for payment by the City under the False Claims Act (Cal. Gov. Code §§12650 *et seq.),* including treble damages, costs of legal actions to recover payments, and civil penalties of up to $10,000 per false claims.

D. The Developer shall carry out the construction and operation of the Project in conformity with all applicable laws and the requirements of the City, including all applicable federal, state and local labor standards. The Developer 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 Project thereon in accordance with the provisions of this 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.

11.19 <u>Severability</u>.

If any term, provision, covenant or condition of this Agreement is held in a final disposition by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability.

11.20 Binding Upon Successors; Covenants to Run With Land.

a. This Agreement shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of each of the Parties; provided, however, that there shall be no Transfer except as permitted in Article 8. Any reference in this Agreement to a specifically named Party shall be deemed to apply to any successor, heir, administrator, executor, successor, or assign of such Party who has acquired an interest in compliance with the terms of this Agreement or under law.

b. The terms of this Agreement shall run with the land, and shall bind all successors in title to the Site until the termination of this Agreement, except that the provisions of this Agreement that are specified to survive termination of this Agreement shall run with the land in perpetuity and remain in full force and effect following such termination. Every contract, deed, or other instrument hereafter executed covering or conveying the Site or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases the Site or the applicable portion of the Site from the requirements of this Agreement.

11.21 Effectiveness of Agreement.

This Agreement is dated for convenience only and shall only become effective on the Effective Date.

11.22 Amendments.

This Agreement may be amended only by means of a writing signed by all Parties.

11.23 Police Power.

Nothing contained herein shall be deemed to limit, restrict, amend or modify, nor to constitute a waiver or release of, any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted and/or as amended from time to time) of the City, its departments, commissions, agencies and boards and the officers thereof, including, without limitation, any redevelopment plan or general plan or any zoning ordinances, or any of City's duties, obligations, rights or remedies thereunder or pursuant thereto or the general police powers, rights, privileges and discretion of City in the furtherance of the public health, welfare and safety of the inhabitants thereof, including, without limitation, the right under law to make and implement independent judgments, decisions and/or acts with respect to planning, development and/or redevelopment matters (including, without limitation, approval or disapproval of plans and/or issuance or withholding of building permits) whether or not consistent with the provisions of this Agreement, any Exhibits attached hereto or any other documents contemplated hereby ("City Rules and Powers"). In the event of any conflict, inconsistency or contradiction between any terms, conditions or provisions of this Agreement, Exhibits or such other documents, on the one hand, and any such City Rules and Powers, on the other hand, the latter shall prevail and govern in each case. This Section shall be interpreted for the benefit of City.

11.24 Brokers.

The City and Developer each represents that it has not engaged any broker, agent or finder in connection with this transaction. Developer agrees to defend, indemnify and hold the City and all of the City's Representatives harmless from and against any Losses and Liabilities with respect to such commissions based upon the alleged acts of Developer. The City agree to defend, indemnify and hold Developer harmless from and against Losses and Liabilities with respect to such commissions based upon the alleged acts of the City. The indemnity obligations set forth in this Section shall survive the issuance of a Certificate of Completion by the City, repayment of the City Rent, termination of the Regulatory Agreement, withdrawal of the Notice of Affordability Restrictions and the termination of this Agreement.

11.25 Submittals and Approvals.

Various submittals are required by the Developer pursuant to this Agreement. To the extent expressly provided by this Agreement, the City shall approve or disapprove certain submittals from Developer within specified timeframes.

11.26 Incorporation by Reference.

Each of the attachments and exhibits attached hereto as part of Part I of Exhibits, and/or delivered to Developer as part of Part II of Exhibits is incorporated herein by this reference as though fully set forth herein.

11.27 Counterparts.

This Agreement may be executed by each Party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument. Unless otherwise prohibited by law or City policy, an electronic or scanned signature shall have the same force and effect as an original ink signature. For the purposes of this Agreement, “electronic signature” is an electronic identifier, created by computer, attached or affixed to or logically associated with an electronic record, executed or adopted by a person with the intention of using it to have the same force and affect as the use of a manual signature, and “scanned signature” is a manual signature that has been placed on a document that has been scanned into an electronic record.

11.28 Entire Understanding of the Parties.

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the matters contained herein and supersedes any prior memoranda of understanding, negotiation agreement or commitment letter.

11.29 Approval Procedure.

Execution and delivery of this Agreement by Developer shall constitute Developer’s offer to enter into this Agreement with the City. Following receipt of the executed Agreement, this Agreement shall not be effective unless approved by the City Council and Mayor, and executed by the LAHD General Manager or designee. This Agreement must be authorized, executed and delivered by LAHD within seventy-five (75) calendar days after date of signature by Developer or Developer may withdraw its offer to enter into the Agreement upon written notice to the City. The effective date of this Agreement shall be the date when this Agreement has been executed by the City.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the Parties have executed this DDA Agreement as of the date first above written.

"LAHD"

LOS ANGELES HOUSING DEPARTMENT

By: ______________________
DANIEL HUYNH
Assistant General Manager

Dated: ____________________

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

By: ______________________
Deputy City Attorney

Dated: ____________________

ATTEST:
HOLLY WOLCOTT, City Clerk

By: ______________
Deputy City Clerk

Date: ______________________

"DEVELOPER"

a California

By: ______________________

Dated: ____________________

By: ______________________

Dated: _____________________

ACKNOWLEDGEMENT OF RECEIPT OF
PART II OF EXHIBITS

The exhibits constituting Part II are Standard City Requirements which are set forth in a separate document, the receipt of which is hereby acknowledged by Developer.

Part II of Exhibits (Standard City Requirements):

1. City of Los Angeles Requirements and Checklist, with Attachments.
2. ADA Covenants.

By: ________________________

Its: ________________________

Date: ______________________

DISPOSITION AND DEVELOPMENT AGREEMENT

PART I OF EXHIBITS

[BEHIND THIS PAGE]

EXHIBIT A

SITE MAP

[BEHIND THIS PAGE]

EXHIBIT B

LEGAL DESCRIPTION

[BEHIND THIS PAGE]

EXHIBIT C

SCHEDULE OF PERFORMANCE

[BEHIND THIS PAGE]

EXHIBIT D

SCOPE OF DEVELOPMENT

[BEHIND THIS PAGE]

EXHIBIT E

PROJECT BUDGET

[BEHIND THIS PAGE]

EXHIBIT F

[INTENTIONALLY OMITTED]

EXHIBIT G

FORM OF ASSIGNMENT OF AGREEMENTS, PLANS, SPECIFICATIONS AND ENTITLEMENTS

[BEHIND THIS PAGE]

EXHIBIT H

FORM OF STATUTORY REQUEST FOR NOTICE

[BEHIND THIS PAGE]

EXHIBIT I

FORM OF REGULATORY AGREEMENT

[BEHIND THIS PAGE]

EXHIBIT J

FORM OF NOTICE OF AFFORDABILITY RESTRICTIONS

[INTENTIONALLY OMITTED]

EXHIBIT K

HUD REQUIREMENTS

(TO BE ATTACHED ONLY IF CITY ASSISTANCE DERIVES FROM A PROGRAM OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT)

[BEHIND THIS PAGE]

PART II OF EXHIBITS – CITY CONTRACTING REQUIREMENTS

1. CITY CONSTRUCTION LOCAL HIRE PROGRAM

(TO BE ATTACHED ONLY IF A CONSTRUCTION LOCAL HIRE PROGRAM APPLIES. LOCAL HIRE PROGRAM APPLIES ONLY IF (A) CITY ASSISTANCE IS BETWEEN $500,000 AND $1,000,000; OR (B) CITY ASSISTANCE IS $1,000,000 OR MORE AND CONSTRUCTION CAREERS AND PROJECT STABILIZATION POLICY DOES NOT APPLY)

2. CITY IN-PLACE REHABILITATION PROCEDURES

(TO BE ATTACHED ONLY IF AGREEMENT INVOLVES REHABILITATION OF EXISTING HOUSING WITH DEVELOPERS IN PLACE)

3. CITY HEALTHY NEIGHBORHOODS POLICY

(TO BE ATTACHED ONLY IF CITY COUNCIL APPROVES AMENDED HEALTHY NEIGHBORHOODS POLICY AND THEN ONLY IF CITY ASSISTANCE EXCEEDS $1 MILLION AND THE PROJECT CONTAINS 50 OR MORE RESIDENTIAL UNITS OR 50,000 SQUARE FEET OF NON-RESIDENTIAL FLOOR AREA, OR IF THE PARTIES OTHERWISE AGREE TO LEED CERTIFICATION)

[BEHIND THIS PAGE]

PART II OF EXHIBITS

EXHIBIT 2

ADA COVENANTS

[BEHIND THIS PAGE]

ADA COVENANTS

I. The following terms shall have the following definition:

"Accessibility Requirements" refers to the accessibility requirements that must be followed in the design, construction or alteration of the Project or an individual housing unit of the Project (including common use elements), based on all the applicable laws and regulations, including: (1) Title II of the Americans with Disabilities Act("ADA"), 42 U.S.C. §12101, et seq. and the implementing standards ("2010 ADA Standards") at 28 C.F.R. pt. 35 and the 2004 ADA Accessibility Guidelines ("ADAAG"), (2) Section 504 of the Rehabilitation Act of 1973 ("Section 504"), 29 U.S.C. §794, the implementing regulations at 24 C.F.R. Part 8, as well as the requirements of UFAS, (3) the Fair Housing Act ("FHA"), 42 U.S.C. §§3601-3620; 24 C.F.R. Parts 100, 103, and 104, and its implementing regulations, and the California Building Codes.

"Accessible" means when used with respect to a Housing Unit or a Housing Development, full compliance with the Accessibility Requirements.

"Accessible Housing Development" means a Housing Development that is Accessible, including Accessible public and common use areas.

"Accessible Housing Units" means collectively Housing Units that are on an Accessible Route, are Accessible, and are located in an Accessible Housing Development. The term Accessible Units refers collectively to Housing Units with Mobility Features and Housing Units with Hearing/Vision Features.

"Housing Development" means the whole of one or more residential structures in the Project, including common walkways and parking lots that were or are designed, constructed, altered, rehabilitated, operated, administered or financed in whole or in part by the City.

"Housing Unit" means a single unit of residence in the Housing Development that provides spaces for living, bathing, and sleeping.

"Housing Unit with Hearing/Vision Features" means a Housing Unit that complies with 24 C.F.R. §8.22 and the applicable UFAS or 2010 ADA Standards.

"Housing Unit with Mobility Features" means a Housing Unit that complies with 24 C.F.R. §8.22 and the applicable UFAS or 2010 ADA Standards.

"UFAS" means the Uniform Federal Accessibility Standards for the design, construction or alteration of buildings and facilities to ensure that they are readily accessible to and usable by individuals with disabilities, 24 C.F.R §40, Appendix A.

[**Continued on the next page]**

II. Additional ADA requirements of the Issuer:

A. Accessible Housing Units. The Housing Development shall be constructed in accordance with HUD's Alternative Accessibility Standard set forth in HUD's notice at 79 Fed. Reg. 29,671 (May 23, 2014) to ensure accessibility for persons with disabilities. The following types of Accessible Housing Units shall be prioritized for persons with disabilities who have a disability-related need for the accessibility features of the unit.

(a) At least eleven percent (11%) of the total Housing Units in each Housing Development shall be constructed or rehabilitated and maintained by the Owner as Housing Units with Mobility Features.

(b) At least an additional four percent (4%) of the total Housing Units in each Housing Development shall be constructed or rehabilitated and maintained by the Owner as Housing Units with Hearing/Vision Features.

(c) In determining the number of units any fractions of units shall be rounded up to the next whole number.

(d) The Accessible Housing Units shall, to the maximum extent feasible, be geographically distributed and dispersed in terms of location within the Housing Development, and shall be provided in a range of unit sizes and types.

(e) Within fifteen (15) working days of the temporary Certificate of Occupancy being issued, Owner shall provide the City with a list of all Accessible Housing Units, specifying the unit number, bedroom size and type of impairment, i.e. mobility or hearing/vision.

(f) Following reasonable notice to Owner, Owner shall allow the City to conduct periodic onsite inspections of the Housing Developments in order to verify compliance with the Accessibility Standards.

(g) The City and/or its agents will monitor the Developer's compliance with this Agreement and the requirements of the source of funds utilized to finance the Project. Violations of this Agreement and/or funding requirements may result in penalties, fees and expenses being levied against the City. The Owner will be responsible for any costs, penalties, fees and expenses levied against the City and will be responsible to pay any expenses incurred by the City to enforce this Agreement.

LAHD will monitor the initial production and ongoing occupancy of the Accessible Housing Units and the Accessible Housing Development by applying the updated ADAAG to ensure full compliance with the

Accessibility Requirements. In order to determine compliance with the Accessibility Requirements, Developer shall submit the name and LAHD shall review and approve a Certified Access Specialist ("CASp") for the Project. The CASp will:

1. Review building plans and specifications for compliance with Accessibility Requirements and issue a Building Plans Compliance Report;
2. Conduct progress/rough inspections and issue a Progress Inspection Report of the housing development that identifies any compliance issues; and
3. Conduct final inspection(s) to ensure that all compliance issues have been resolved. CASp will issue a set of findings that identify all compliance issues and a final Accessibility Report when the Project is in compliance.

LAHD shall inspect the construction/rehabilitation to verify that the correct number of Accessible Housing Units have been produced and that the necessary and required design elements have been constructed to make the units and site accessible for individuals with disabilities, in compliance with Section 2 and supported by an independent CASp consultant's report.

During the term of this Agreement, LAHD will utilize the Housing Development's City approved Property Management Plan and Fair Housing Policy in Regard to Disability, to monitor ongoing occupancy compliance of the Accessible Housing Units and nondiscrimination in regards to individuals with disabilities. Compliance with the Accessibility Requirements shall include, but not be limited to, target marketing, establishing and monitoring Transfer and Waiting Lists for the Accessible Housing Units, reasonable accommodations and modifications requests, implementation of the service animal policy and policy for re-leasing empty Accessible Housing Units and all elements contained in the Fair Housing Policy in Regard to Disability dated July 28, 2014, as amended over time.

[End of Exhibit 2]

PART II OF EXHIBITS

EXHIBIT 3

MAYOR'S EXECUTIVE DIRECTIVE No. 26

Issue Date: December 21, 2012

City-wide Compliance with Federal and State Disablity Laws

[Behind This Page]

PART II OF EXHIBITS – EXHIBIT 4

EXHIBIT 4

The Instructions and Information on Complying with City Insurance Requirements (Form General 133) and the Required Insurance and Minimum Limits Sheet (Form General 146) are attached hereto to this Exhibit 4.