RESOLUTION AUTHORIZING AN AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND ANY OTHER ANCILLARY DOCUMENTS WITH PUEBLO DEL SOL II HOUSING PARTNERS, L.P. TO COMPLETE THE INTERIM TRANSFER OF THE PUEBLO DEL SOL PHASE II PROJECT (“PROJECT”) TO HACLA PDS LLC, A LIMITED LIABILITY COMPANY WITH THE HOUSING AUTHORITY AS ITS SOLE MEMBER AND MANAGER, AND SUBSEQUENT SALE TO PUEBLO DEL SOL II HOUSING PARTNERS, L.P. FOR IMPLEMENTING THE RAD CONVERSION, RESYNDICATION AND REHABILITATION OF THE PROJECT

Douglas Guthrie
President & Chief Executive Officer

Geoffrey Möen
Director of Development

Purpose: Authorize the Housing Authority of the City of Los Angeles (“HACLA”) to enter into an Amendment to the Disposition and Development Agreement (“DDA”) with Pueblo Del Sol II Housing Partners, L.P. (the “Partnership”), to update the ground lease term, the amount, interest rate and term of the acquisition loan, the schedule of performance, and the terms and procedure for the transfer of the property associated with Pueblo Del Sol II (“PDS-II” or the “Project”).

Regarding: On December 20, 2018, the Board of Commissioners (“BOC”), by Resolution No. 9469, authorized the enactment of HACLA’s purchase options for Pueblo Del Sol II (“PDS-I”) and PDS-II. On August 22, 2019, the BOC took further actions, by Resolution No. 9521, to effectuate its options by authorizing the purchase of the Limited Partnership Interests of SunAmerica Housing Fund 1007, a Nevada Limited Partnership, and SunAmerica Housing Fund 1083 in the Aliso Village Housing Partners, LP the former owner of PDS-1 and the current owner of the Project. The purchase of these partnership interests closed on or about November 15, 2019.

With the completion of the required prerequisites including tenant notifications through the RAD Information Notice/General Information Notice and two meetings with the residents, HACLA on August 22, 2019, by Resolution No. 9523, authorized submission of RAD applications to the U.S. Department of Housing and Urban Development (“HUD”) for the RAD Conversion of up to two hundred twenty-four (224) Public Housing Units at PDS-I and PDS-II. In October 2019, HACLA received the RAD Commitments to Enter into a Housing Assistance Payment (“CHAP”) for both phases.

On October 31, 2019, the BOC, by Resolution No. 9536, authorized the participation of HACLA in the resyndication and rehabilitation of PDS-I and PDS-II, such participation included execution of a DDA for PDS-II and acquisition loan documents for PDS-II, including a loan agreement, promissory note, and deed of trust (the “Acquisition Loan Documents”). Resolution 9536 also authorized the transfer and distribution of the leasehold interest in the Property and fee interest in the improvements on the Property.
from AVHP II to HACLA or its affiliate (the “Interim Transfer”) for tax structuring purposes
and to ensure that La Cienega LOMOD, Inc. does not need to disaffiliate or change its
current managing general partner role in the Project in order to enter into the PDS II
Limited Partnership.

On June 25, 2020, by Resolution No. 9604, the BOC authorized the exchange of certain
HACLA properties (“HACLA Exchange Parcels”) for LAUSD’s Utah Street Property. One of
the parcels is a narrow strip of land, 1.9 feet in width, running along the entire northern
boundary length with the PDS-II Community center (“Handball Court Parcel”) and is the
subject of both the LAUSD Ground Lease and PDS-II Ground Lease. HACLA will convey
this strip of land to LAUSD after securing the release of a HUD Declaration of Trust and
other Project encumbrances as part of the re-syndication of the PDS-II. On December 17,
2020, the BOC by Resolution 9673, authorized the submission of Section 18 disposition
application(s) to HUD to facilitate the conveyance of HACLA Exchange Parcels to LAUSD.

On March 31, 2021, HACLA received the Rental Conversion Commitment (“RCC”) for
PDS-II from HUD.

Issues:

PDS-II Project
Background

The PDS-II Project site is a 10.51 acre property located at 1300 Plaza Del Sol E., Los
Angeles California 90033 in the Boyle Heights neighborhood of East Los Angeles. PDS-II is
one of four distinct sub-phases of Pueblo Del Sol and was originally developed by The
Related Companies of California (“Related CA”) and McCormack Baron & Associates, Inc.
in 2003 as 176 units comprised of one hundred twenty-two (122) public housing units
and fifty-four (54) tax credit units.

The larger Pueblo Del Sol project encompasses a total of 34.3-acres and consists of
another affordable rental sub-phase known as Pueblo Del Sol I comprising 201 units;
Phase III which includes 93 for-sale homes, consisting of 27 affordable and 66 market
rate units in a complex called Vista Del Sol; and the fourth and final phase, the Mendez
Learning Center, a high school owned and operated by Los Angeles Unified School
District and a non–profit organization called “The Partnership”.

Pueblo Del Sol was one of two Hope VI projects completed by HACLA. As part of the
original transaction, HACLA contributed land through ground lease agreements for de
minimis amounts, and provided $5.57 million as an Applicable Federal Rate (“AFR”) loan
to PDS-II. Under Sub-grant Agreements between HACLA and a HACLA disaffiliated entity,
the Aliso Village Housing Corporation (“AVHC”) (now known as Housing Promise
Corporation), HACLA granted portions of the HOPE VI funds in order for AVHC to make
zero interest loans amounting to $5.60 million to PDS-II.

As part of its original terms of development, HACLA held the option to purchase the
Project at the end of the tax credit compliance period in 2018. HACLA exercised that
option, and in November 2019 purchased the limited partner interest in the PDS II
participation from affiliates of AIG/SunAmerica, the former investor limited partner in PDS-II. PDS-II is now owned by a limited partnership of which La Cienega LOMOD, Inc. is the managing general partner, HACLA is the limited partner, and an affiliate of Related California is the administrative general partner. HACLA is the limited partner of AVHP-II.

In October 2020, HACLA and the PDS-I Partnership successfully completed the financial closing of the resyndication of Pueblo Del Sol I. The rehabilitation of Pueblo Del Sol I is proceeding on budget and on schedule and has achieved 25% completion. Approximately 45 households who were temporarily relocated have moved back into their rehabbed units.

**Outcome of Resyndication**

In order to ensure long-term affordability and allow for further investment into the Project, HACLA is undertaking a Rental Assistance Demonstration (“RAD”) conversion of the existing public housing units and has approved the layering of non-RAD PBV and RAD PBV on all eligible units in the Project. This will allow for the conversion of 112 public housing units to RAD and 10 public housing units to non-RAD Section 8 Project Based Vouchers (“PBV”) through de minimis reduction. The de minimis reduction will allow HACLA to apply rents in accordance with the Section 8 Voucher Payment Standard (“VPS”) without adversely affecting the resident’s portion of the rent. At the financial closing, HACLA will enter into a RAD Use Agreement with HUD and the Partnership.

Approximately nineteen (19) Section 8 PBVs will be overlaid onto the existing tax-credit only units at the time of resyndication based on current estimated eligibility of the existing households.

Overlaying PBV units on tax credit-only units will enhance the economic security of eligible families in today’s environment when many families have experienced loss in income. Upon tenant turnover or changes to the tenant circumstance that will cause them to benefit from an income-based rent, the Authority will attach PBVs to additional Tax Credit units for up to a maximum of 53 units.

The following table shows the current and proposed subsidy program at closing for PDS-II.

<table>
<thead>
<tr>
<th>Subsidy Type</th>
<th>PDS-II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Housing</td>
<td>122</td>
</tr>
<tr>
<td>Tax Credit</td>
<td>53</td>
</tr>
<tr>
<td>Manager Unit</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td><strong>176</strong></td>
</tr>
</tbody>
</table>
Proposed Program at Conversion

<table>
<thead>
<tr>
<th>Subsidy Type</th>
<th>PDS-II</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAD</td>
<td>112</td>
</tr>
<tr>
<td>PBV (De Minimis)</td>
<td>10</td>
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<tr>
<td>PBV (Tax Credit)</td>
<td>19</td>
</tr>
<tr>
<td>Tax Credit (future PBV)</td>
<td></td>
</tr>
<tr>
<td>Manager Unit</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td><strong>176</strong></td>
</tr>
</tbody>
</table>

Affordability
100% of the apartment units (excluding the manager unit) will remain deeply affordable and tenants can expect to receive additional rent relief with the layering of PBVs on the tax-credit only units and preservation of current rent structures with the conversion of the 122 public housing units in PDS II to RAD PBV or non-RAD PBV. The Project is intended to accommodate all existing households on-site and ensure that they are properly right-sized and units are configured for universal accessibility. California Tax Credit Allocation Committee (“CTCAC”) regulations allow existing tenants to be “grandfathered” even if their income has increased since time of initial occupancy. The Project will comply with the affordability restrictions it committed to for the resyndication that will require 10% of units to be set-aside for households at 30% AMI, 10% of units at 35% AMI, 10% at 40% AMI, 10% at 45% AMI, 10% at 50% AMI, and 50% of the set aside at 60% AMI.

Rehabilitation
The proposed rehabilitation of the Project will maintain the existing unit configurations but will provide needed renovations to update and upgrade the buildings, improve energy efficiency, and extend the useful life of the buildings. The rehabilitation work will be done while tenants are temporarily relocated. Each resident household will need to vacate their unit for approximately 2.5 to 3.5 weeks while the interior work is completed.

The rehabilitation scope will include updating residential buildings, upgrading the Community Center Building, and exterior common area amenity spaces.

Exterior work will consist of painting of buildings, replacement of roofing material with a similar roofing material, improved light fixtures, and enhancements to trash enclosures and new photovoltaic arrays. Site work will consist of landscaping changes to accommodate additional accessible parking spaces and carports, and improvements to the walkways leading to and from accessible units.

All units will receive new flooring, fixtures, energy star rated appliances, window coverings, light fixtures, hardware, paint, upgraded new HVAC units, new water heaters, and cabinetry in the kitchens. Ten percent (10%) of all residential units will be renovated to meet current accessibility requirements which will require shifting some walls in order to reconfigure kitchens and bathrooms to meet current code requirements.
The Community Center will undergo significant rehabilitation with a new teen community room and teen lounge, new kitchen, new music room, and a computer lab, while the multi-purpose room, lobby and the public restrooms will undergo renovations.

The Park Paseo private street will be reconfigured with angled parking that will create approximately 23 new parking spaces and help alleviate the parking shortage in this community. The Community open space will be reprogrammed with a new soccer field, a new tot lot, seating areas, BBQ area, picnic area, two dog parks, and lush landscaping around the edge of the park.

**COVID Preventative measures**
The General contractor, Portrait Homes, has drafted a COVID Action plan whose highlights are discussed below:

Residential Units: The tenants have the option to have their residence fully packed and monitor their packing and moving remotely to limit any potential interactions between workers and residents. Upon full move-out, the construction trades will then be staggered and/or will work in different rooms within the unit to ensure proper social distancing is maintained. All trades and staff will be required to wear masks and gloves while working at the site. Upon completion of all interior work, the unit will be professionally cleaned and sanitized by a cleaning subcontractor. The unit will then be locked up and the keys turned over to management. Finally, a single-use tamper proof sanitization sticker will be placed over the door to ensure no one enters after it has been sanitized and turned over.

Community Center, Community Rooms and Common Areas: Where construction work occurs within common areas of an occupied residential building or a mixed-use building in use by on-site employees or residents, separate work areas will be sealed off from the rest of the common areas with physical barriers such as plastic sheeting or closed doors sealed with tape to the extent feasible. If possible, workers will access the work area from an alternative building entry/exit door to the building entry/exit door used by residents or other users of the building. Every effort will be taken to minimize contact between worker and building residents and users, including maintaining a minimum of six feet of social distancing at all times.

**Construction Schedule**
Beginning June 2021, construction will commence on the residential buildings, taking place on a building-by-building basis and site work will commence with sidewalk renovations as well. The Community Building is expected to have renovations commence in January 2022. Final Inspections and substantial completion is anticipated in November 2022.

**Temporary Relocation Plan**
A Relocation Plan was prepared by Overland, Pacific, and Cutler, LLC (“OPC”) and was
adopted by the HACLA BOC on December 19, 2019. The Relocation Plan identifies special needs of the households that might be impacted by the rehabilitation scope and temporary relocation solutions during rehabilitation. OPC is beginning to re-interview residents prior to the start of relocation to determine the exact needs of the household. Notices are being sent to relocating residents approximately 60 days prior to relocation. This includes an MOU between the resident and the owner that clearly defines the roles and responsibilities of each party. Relocation is expected to begin in June 2021 and will continue on a rolling basis for approximately 15 months. Approximately 6 to 9 households will be relocated at one time. Vacancies at the property are being used for temporary housing units during the rehabilitation to minimize the number of households that will need to be relocated off-site at hotels or apartments.

Residents are expected to return to the Project after their unit is renovated. There will be no displacement of tenants, and the number of households on site will remain the same but for natural turnover that occurs with or without the Project. Although we anticipate most residents will be moved back into their same unit; some may be moved to a different unit on site in order to address right-sizing and disability needs.

Community Outreach

HACLA began initial outreach efforts with Pueblo Del Sol II in August 2019 when General Information Notices (GIN) were sent to all residents. For fiscal year 2020, a pre-meeting with tenants and a Relocation Plan refresher meetings took place on January 8 & 9, 2020. HACLA and Related organized well-attended design meetings on March 4, 2020 and December 9, 2020. On June 23, 2020 HACLA and Related provided a virtual Rental Assistance Demonstration (RAD) meeting for residents of both phases. In February of 2021, HACLA held a RAD refresher meeting and a discussion on the proposed rehabilitation work. A meeting on Radon testing was held on March 15, 2021. Most meetings held over the past year were well attended. Additionally, 320 of the 376 Pueblo del Sol households responded to the survey which provided resident information and feedback on needs in the community.

HACLA began providing a monthly newsletter in June 2020 at PDS which includes important project updates, job opportunities generated by the rehabilitation, as well as vital information on resources and Covid-19 pandemic assistance for PDS residents and community. HACLA organized the Pueblo Del Sol Resident Advisory Council (RAC) election in late 2020 and assisted with the formation of the RAC board which was installed in February 2021.

Financing Plan

HACLA and Related CA have secured the commitments and financing necessary to accomplish the financial closing, including 4% LIHTC and HUD issued Rental Assistance Demonstration Conversion Commitment for the RAD conversion of PDS-II (“RAD Conversion”). The construction lender of the Project has been determined to be Citibank, N.A., a national banking association, and the Goldman Sachs Group, Inc. has committed to be the tax credit investor in the Project through its affiliate GSB LIHTC Investor LLC, a
Delaware limited liability company.

While the primary deal points were previously approved by the BOC, more specific financing and other details of the Project have become known or negotiated, and the BOC is requested to authorize the updated terms of the Project financing and implementation described below:

Total Development Cost is currently estimated at $51.18 million. The project will be financed with a Seller Carryback Loan, Tax Credit Equity, a Conventional Permanent Loan from Citibank, N.A., Deferred Developer Fee, and Income during Construction (“NOI”). Attachment # 3 provides details on the final Financial Plan and pro forma.

**Purchase & Seller Carryback (Acquisition) Loan:**
The Partnership will purchase the property from HACLA PDS LLC for a purchase price of $19.63 Million. Pursuant to the terms of the DDA, as amended, HACLA PDS LLC will use a portion of the purchase proceeds to provide a 55-year Seller Carryback Acquisition Loan to the Partnership in the amount not to exceed $18.73 Million which will be deemed fully funded at the closing of the construction loan. The Seller Carryback Loan will be compounding interest at an annual rate of 2.50% (the “Acquisition Note”). HACLA PDS LLC expects to receive approximately $900,000 at the financial closing of the Project as cash payment for the acquisition value. The Acquisition Note and other loan documents are expected to be assigned by HACLA PDS LLC to HACLA at conversion or at permanent financing.

**Tax–Exempt Bonds/Construction Loan**
The Partnership has received an allocation of tax-exempt bonds from the California Debt Limit Allocation Committee (“CDLAC”) for $25,000,000.

**Tax Credit Equity**
The Project applied for and received a reservation of 4% Low Income Housing Tax Credits from CTCAC in the annual amount of $1,704,248 for a ten (10) year period. Goldman Sachs Bank (“GS”) will provide for a direct purchase of the tax credits at an anticipated price of $0.93 per tax credit. GS will make a Credit Floor Adjuster Payment to account for the additional LIHTC credits as a result of adjusting to a 4.00% credit rate that is expected to yield approximately $3.14 Million at a blended pricing of $.90 per tax credit. These additional proceeds will be used to pay down the acquisition loan to the extent available after paying for any unexpected development costs or unpaid cash developer fee.

**Permanent Loan**
The Permanent Loan, provided in a back-to-back conduit structure by Citibank, N.A. will be in the approximate amount of $11.93 Million. The Permanent Loan provides for five years of interest only payments and assumes a 35-year amortization, a 1.15 Debt Coverage Service Ratio (“DSCR”), and an annual interest rate of approximately 4.3%, which will be fixed just before closing.
**Deal Structure**  Under the previous actions that were approved by the HACLA BOC through Resolution No. 9536, HACLA entered into a DDA with a Related CA affiliate to be a development partner and to have HACLA-related entities act as joint developer and owner. The deal structure provides HACLA-related entities significant ownership rights and responsibilities but they also share in the risk of development and operations. The Organizational Charts attached to this Board Report as Attachment 2 provides a guide to the legal bodies involved in the current ownership and the proposed new ownership structure.

**Conveyance & Ownership Stake**

Prior to entering into the DDA, the Partnership was formed in which LOMOD PDS LLC, comprising La Cienega LOMOD as the sole member, is the managing general partner, an affiliate of Related California is the administrative general partner, and another Related affiliate, Related Futures, LLC is the placeholder limited partner who will be replaced by the investor limited partner. In addition, AVHC, whose Articles of Incorporation and Bylaws have been amended along with a name change to Housing Promise Corporation, ("HPC"), is the Special Limited Partner ("SLP"). The MGP has a 0.0001% Percentage Interest in the Partnership, the SLP has a .0040% Percentage Interest in the Partnership while the AGP has a .0059% Percentage Interest in the Partnership, and Related Futures has a 99.9900% Percentage Interest in the Partnership that will be transferred to a Goldman Sachs entity.

Resolution 9536 authorized the transfer and distribution of the leasehold interest in the Property and fee interest in the improvements on the Property from AVHP II to HACLA or its affiliate (the “Interim Transfer”) for tax structuring purposes and to ensure that La Cienega LOMOD, Inc. does not need to disaffiliate or change its current managing general partner role in the Project in order to enter into Pueblo del Sol II Housing Partners, L.P. The Interim Transfer is anticipated to occur a few days before the financial closing date for the Project (the “Financial Closing”), and HUD has indicated that accomplishing the Interim Transfer through a private ownership entity such as a limited liability company, rather than through HACLA, will allow for a more streamlined approval process through HUD.

AVHP II, with HACLA as sole limited partner, will distribute the Project to HACLA PDS LLC pursuant to the Distribution Agreement, at no or nominal cost (e.g., $100). After a short duration, HACLA PDS LLC will sell the improvements to the Partnership at the appraised price and also enter into a Ground Lease with the Partnership. This conveyance structure allows HACLA to receive 100% of the sale price and allows the transaction to qualify for acquisition tax credits. Under the Sub-grant Agreement between HACLA and AVHC by which HACLA granted the HOPE VI funds to AVHC so AVHC could make a zero interest loans to the prior Aliso Partnership, AVHC will forgive the loan if the project is acquired by a governmental agency or nonprofit. Therefore, when HACLA, acting through HACLA PDS LLC, acquires the Project, the zero interest loan will be forgiven.
Key Revised Terms

HACLA PDS LLC will assume the Seller Carryback Note for the remaining amounts that will be paid from net cash flow proceeds after deferred developer fee has been paid in full. The Seller Carryback Note will receive payment from 70% of residual cash flow until paid in full. The term of the Note will be 55 years from Permanent Loan conversion.

The Ground Lease term has been increased to 65 years from 57 years. This change has been proposed to ensure that the interest on the Seller Carryback Note can earn compounding interest at an annual rate of 2.50% and to ensure that the loan can be paid at maturity in order to meet the True Debt Test and not jeopardize the acquisition tax credits.

The MGP or its affiliate shall receive 30% of the Developer Fee and any Deferred Developer Fee, presently estimated to be approximately $1.617 million for PDS-II.

Under terms negotiated with Related CA and approved by the HACLA BOC and the La Cienega LOMOD Board of Directors, HACLA will receive annual ground lease payment of which unpaid amounts will accrue, LOMOD PDS, LLC as the MGP or HPC as the SLP will receive Asset Management Fees, net cash flow proceeds, and percentages of the net sales of refinancing proceeds. HACLA will also receive a Purchase Option and have a Right of First Refusal to acquire the LP interest.

Guarantees

Under Board approved terms, LOMOD shall be responsible for fifteen percent (15%) of the obligations of the Guarantors, and the Related Companies, L.P. shall be responsible for eighty-five percent (85%) of the obligations of the Guarantors, except for a matter pertaining to the developer fee, in which Related shall be responsible for 70% of the obligations and LOMOD shall be responsible for 30% of the obligations.

Management

McCormack Baron Management, Inc. ("MBM") will continue to be the property manager after the resyndication of PDS-II. As the MGP, LOMOD PDS will share in oversight of the property manager and will be involved in annual budget review/quarterly updates, audit processes etc. The MGP has been involved in the negotiation of the management contract, the review and approval of the Management Plan and will be involved in any subsequent changes in management policies and procedures. Beginning five years after permanent loan conversion, HACLA or an affiliate will have the option to manage the property with approval from the investor limited partner, lender, and Related CA.

A summary of key documents is attached to this memorandum as Attachment #3 and the drafts of the documents summarized are attached as Attachment #4. These documents referenced and attached are expected to require finalization of non-key provisions, which the CEO and other Designated Officers, as listed in the attached Resolution, with the support of legal counsel and staff, will finalize prior to the Financial Closing. The final language of such non-key provisions will not materially impact the legal terms of the negotiated DDA, as amended.
Vision Plan: **PLACE Strategy #1: Stabilize the physical and financial viability of the conventional public housing portfolio.**

In analyzing the ongoing financial stability of the Pueblo Del Sol properties it was determined that a conversion to a Section 8 platform would reduce the levels of annual capital needed to maintain the property by financing a larger investment upfront in the proposed rehabilitation. Additionally, by layering Project-Based Vouchers on the tax credit units, we are reducing the cost to tenants of their monthly rent and providing increased funding for management, services and mission support.

**PLACE Strategy #2: Increase functionality and effectiveness of Asset Management Portfolio.** *Action 2.2: Utilize available funding tools, including Tax Credits, conventional debt/equity, Project-Based Vouchers and RAD to achieve site-based improvements and stabilized operating income and ensure long-term affordability.*

Using the resyndication proceeds, the property will be rehabilitated with energy efficient fixtures and appliances as well as accessibility improvements. HACLA will take a larger role as owner of the improvements and the underlying land and hopes to have more opportunity to influence site management, resident services and community engagement.

**PATHWAY Strategy #1: Build and scale HACLA’s internal real estate development team into a capable, adequately staffed community revitalizer and public developer and business line comparable to other large, regionally oriented development/redevelopment authorities.**

HACLA, through its instrumentality, La Cienega LOMOD, will be taking on a co-development role and long-term ownership position in Pueblo Del Sol II. This will allow HACLA staff acting on behalf of the partnership to participate in the deal structuring, competitive financing, construction management and all decision-making matters in the rehabilitation project as well as the long-term ownership and management. La Cienega LOMOD will be acting as a partial guarantor on this transaction, which will demonstrate capacity to equity investors and lenders.

**Funding:** The Chief Administrative Officer confirms the following:

*Source of Funds:* No additional funds are requested under this Board action. The Partnership will acquire the property from HACLA PDS LLC for a purchase price of $19.63 million. HACLA PDS LLC expects to receive approximately $900,000 in cash payment at the financial closing of the Project. The remaining amount not to exceed $18.73 million will be funded through a 55-year Seller Carryback Acquisition Loan from Permanent Loan conversion to the Partnership. At the Financial Closing, HACLA PDS LLC as the Seller will be responsible for paying the transfer tax on this conveyance along with Escrow and
recording charges estimated at approximately $140,000 using any cash payment received towards the purchase.

*Budget and Program Impact:* As a member of the development Partnership, HACLA does participate in covering its share of third party costs during this pre-development period. However, these costs are anticipated to be wholly reimbursed at financial closing. Future revenue from the properties should adequately cover all management and resident services costs.

**CEQA:** HACLA determined in November 2019 that the Project is exempt from the requirements of CEQA pursuant to the following Categorical Exemptions found in the Guidelines for CEQA, California Code of Regulations Title 14, and Chapter 3, each of which is independently sufficient to exempt the entire Project from CEQA. No further environmental review is required for the Authority's recommended actions because based on the project record there has been no change to the proposed rehabilitation or substantial changes in circumstances or new information that would warrant subsequent environmental analysis in accordance with CEQA, including but not limited to Public Resources Code section 21166 and State CEQA Guidelines sections 15162, 15163 and 15164. Based on this, HACLA will file a Notice of Determination after the BOC has acted on this item.

**NEPA:** Pursuant to 24 CFR Part 58, the City of Los Angeles, through its Housing and Community Investment Department, served as the environmentally responsible entity for the Project and determined that the Project is Categorically Excluded per 24 CFR 58.35(a), and subject to laws and authorities at 24 CFR 58.5.

**Section 3:** The Pueblo del Sol II Housing Partners, L.P. will comply with Section 3 requirements and ensure that employment and other economic opportunities generated by the HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward qualified low and very low-income persons, and to business concerns which provide economic opportunities to low and very low-income persons and will comply with the implementing of Section 3 regulations, as well as the terms negotiated in the operative agreements herein. The Pueblo del Sol II Housing Partners, L.P. will set aside at least thirty percent (30%) of all new predevelopment, construction and post-construction jobs generated by the re-syndication firstly for current residents of Pueblo del Sol, second to qualified Section 3 residents of the East Los Angeles neighborhood, third to participants in HUD’s Youthbuild programs in the City of Los Angeles; and fourth to residents of the City of Los Angeles (the “City”) who meet Section 3 eligibility requirements. Furthermore, the Partnership will strive to provide at least ten percent (10%) of all construction work hours to Section 3 Residents according to the hiring priorities set forth above. A Construction Section 3 Hiring Plan has already been submitted to HACLA and was approved. Portrait has already began the Section 3 hiring and subcontracting process for Phase I and has been effective in their efforts. A Post-Construction Section 3 Hiring Plan will be submitted at a later time.
which will discuss strategies and investments that will provide employment and other opportunities to Section 3 residents during the post-construction stage.

Notwithstanding the above Section 3 commitments, the parties are aware that new Section 3 rules (codified at 24 CFR Part 75) may be applicable to the project depending upon such factors as the execution date of additional agreements, funding and the project construction start date. Should HACLA determine that the new Section 3 rules apply, the parties will work together in good faith to make any necessary adjustments to Developer’s Section 3 commitments including the execution of necessary agreement(s) and contract(s) amendments as necessary to ensure compliance with the new Section 3 rules and Developer’s Section 3 commitments.

Attachments:

1. Resolution
2. Organizational Charts (current and proposed ownership structure)
3. List and description of Key Financing Documents
4. Draft documents
   a. Acquisition / Conveyance documents
   b. Interim Transfer documents
   c. RAD/Financial closing documents
ATTACHMENT 1

RESOLUTION
RESOLUTION NO.______________

RESOLUTION AUTHORIZING AN AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT AND ANY OTHER ANCILLARY DOCUMENTS WITH PUEBLO DEL SOL II HOUSING PARTNERS, L.P. TO COMPLETE THE INTERIM TRANSFER OF THE PUEBLO DEL SOL PHASE II PROJECT (“PROJECT”) TO HACLA PDS LLC, A LIMITED LIABILITY COMPANY WITH THE HOUSING AUTHORITY AS ITS SOLE MEMBER AND MANAGER, AND SUBSEQUENT SALE TO PUEBLO DEL SOL II HOUSING PARTNERS, L.P. FOR IMPLEMENTING THE RAD CONVERSION, RESYNDICATION AND REHABILITATION OF THE PROJECT

WHEREAS, the Housing Authority of the City of Los Angeles (HACLA”) is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Housing Authorities Law, Sections 34200 et seq. of the California Health and Safety Code (the “Act”), including the power to provide financing for the acquisition, construction, rehabilitation and equipping of multifamily rental housing for persons and families of low to moderate income;

WHEREAS, HACLA is further authorized under the Act to issue bonds, notes, interim certificates, debentures, or other obligations for any of its corporate purposes and to make and execute contracts and other instruments necessary or convenient for the exercise of its powers;

WHEREAS, the Pueblo Del Sol Apartments II (“PDS II”) was developed on a 35 acre former public housing site, known as the Aliso Village public housing community, located in the Boyle Heights community east of downtown Los Angeles, with 176 low income units along with parks, open space a management office and community center, and was placed into service in 2003, after being developed by the current tax credit partnership owners (the real property underlying PDS II is referred to herein as the “Property”);

WHEREAS, development of PDS II was partially financed with HOPE VI funds and syndicated in a mixed finance transaction involving the execution of a mixed finance amendment to a consolidated annual contributions contract, a declaration of trust and partial release of declaration of trust, ground lease, a memorandum of ground lease, a regulatory and operating agreement, AFR loan documents, and zero interest loan documents (collectively, the “Mixed Finance Documents”);

WHEREAS, on August 22, 2019, the Board of Commissioners (“BOC”), by Resolution No. 9523, authorized submission of Rental Assistance Demonstration (“RAD”) applications to the U.S. Department of Housing and Urban Development (“HUD”) for the RAD conversion of up to two hundred twenty-four (224) Public Housing Units at PDS I and PDS II;

WHEREAS, on October 31, 2019, the BOC, by Resolution No. 9536, authorized the participation by HACLA in the resyndication and rehabilitation of PDS II (the “Project”) as well as PDS I, such participation included execution of a Disposition and Development Agreement for PDS II (“DDA”) with the form of acquisition loan documents for PDS II, including a loan agreement, promissory note, and deed of trust (the “Acquisition Loan Documents”);
WHEREAS, in November 2019, HACLA purchased the limited partner interest in the PDS I and PDS II partnerships from affiliates of AIG/SunAmerica, the former investor limited partner in PDS I and PDS II, and HACLA became the limited partner in Aliso Village II Housing Partners, L.P. ("AVHP II"), the current owner of PDS II, in which La Cienega LOMOD, Inc. is the managing general partner and an affiliate of Related California is the administrative general partner;

WHEREAS, as described below, the Project will be transferred for a brief interim period from AVHP II to an affiliate of HACLA, HACLA PDS LLC, before the Project is sold to the new limited partnership as part of the financial closing of PDS II ("Financial Closing");

WHEREAS, the commitments and financing necessary to accomplish the Financial Closing have been obtained and identified, including that HUD has issued a Rental Assistance Demonstration Conversion Commitment for the RAD conversion of PDS II ("RAD Conversion"), the construction lender of the Project will be Citibank, N.A., a national banking association, and the Goldman Sachs Group, Inc. will be the tax credit investor in the Project through its affiliate GSB LIHTC Investor LLC, a Delaware limited liability company;

WHEREAS, as other financing details of the Project have become known or negotiated, HACLA desires to authorize updated and more specific terms of the Project financing and implementation;

WHEREAS, HACLA desires to enter into an amendment to the Disposition and Development Agreement ("DDA") to update the ground lease term, the amount, interest rate and term of the acquisition loan, the schedule of performance, and the terms of the Interim Transfer, along with other updates, and HACLA desires to enter into any and all agreements as contemplated in the DDA, as amended (collectively with the amendment to DDA, the "DDA Documents");

WHEREAS, Resolution 9536 also authorized the transfer and distribution of the leasehold interest in the Property and fee interest in the improvements on the Property from AVHP II to HACLA or its affiliate (the "Interim Transfer") for tax structuring purposes and to ensure that La Cienega LOMOD, Inc. does not need to disaffiliate or change its current managing general partner role in the Project in order to enter into Pueblo del Sol II Housing Partners, L.P. (the "PDS II Partnership");

WHEREAS, the Interim Transfer is anticipated to occur shortly before the bond, RAD and re-syndication Financial Closing for the Project, and HUD has indicated that accomplishing the Interim Transfer through a private ownership entity such as a limited liability company, rather than through HACLA, will allow for a more streamlined approval process through HUD;

WHEREAS, for purposes of the Interim Transfer, HACLA desires, where applicable, to act through HACLA PDS LLC, a California limited liability company of which HACLA is the sole member (the "HACLA LLC" or the "LLC");

WHEREAS, acting on behalf of HACLA LLC, HACLA desires that at the Interim Transfer, the LLC enter into any and all conveyance documents necessary to acquire a leasehold interest in the
Property and fee interest in the improvements on the Property from AVHP II at the Interim Transfer and enter into any and all agreements necessary to assume all rights, interests, and obligations related to the Project, including but not limited to an amendment to a mixed finance amendment to consolidated annual contributions contract, and assignments, assumptions, and/or amendments of declaration(s) of trust and partial release(s) of declaration of trust, ground lease, memorandum of ground lease, regulatory and operating agreement, AFR loan documents, zero interest loan documents, TCAC regulatory agreement, and project documents such as the management contract, management plan, services agreements, and tenant leases (collectively, the “LLC Interim Transfer Documents”);

WHEREAS, acting on its own behalf, HACLA desires at the Interim Transfer, to enter into an amendment to a mixed finance amendment to consolidated annual contributions contract and to enter or consent to assignments, assumptions, and amendments of one or more of the Mixed Finance Documents in which HACLA has a right, interest, or obligation, including but not limited to the regulatory and operating agreement, declaration of trust and partial release of a prior declaration of trust, AFR loan documents, ground lease and memorandum of lease, (collectively, the “Authority Interim Transfer Documents”);

WHEREAS, acting on behalf of the HACLA LLC, HACLA desires at the Financial Closing that the LLC execute an assignment, assumption, and amendment of purchase and sale agreement and grant deed to sell the improvements on the Property to the PDS II Partnership at the Financial Closing for the appraised value of $19.63 Million, take back a promissory note in a principal amount not to exceed $18.73 Million at a compounding rate of at least 2.5% interest, and enter into the Acquisition Loan Documents and any subordination agreements required for financing of the Project, which Acquisition Loan Documents are expected to be assigned to HACLA at or after the conversion of the Project to permanent financing by execution of an assignment agreement between HACLA and the LLC (collectively, the “LLC Conveyance Documents”);

WHEREAS, acting on behalf of the HACLA LLC, HACLA further desires that on or immediately before the Financial Closing, the LLC enter into any and all agreements necessary to terminate the Mixed Finance Documents or assign the Mixed Finance Documents to the PDS II Partnership, as applicable, including a termination of deed of trust and partial release of declaration of trust, ground lease and memo of lease, and regulatory and operating agreement, and an assignment of tenant leases and any other applicable Project documents and assignment, assumption, and amendment of TCAC regulatory agreement (collectively, the “LLC Financial Closing Documents”);

WHEREAS, acting on its own behalf, HACLA desires at the Financial Closing, to enter into any and all agreements necessary to terminate or release from the Project all Mixed Finance Documents in which HACLA has a right, obligation, or interest, including but not limited to by entering into a termination of amended mixed finance amendment to consolidated annual contributions contract, termination of AFR loan documents and cancellation of indebtedness, termination and release of ground lease and memorandum of lease, termination of regulatory and operating agreement, and substitution of trustee and full reconveyance of AFR loan deed of trust, and to enter into such documents as may be necessary to accomplish the Financial Closing and subsequent conversion to permanent financing with Citibank, including but not limited to a
new ground lease, all documents required in connection with the RAD Conversion, including but not limited to a RAD Use Agreement, RAD and non-RAD PBV HAP contracts and other RAD documents, an option and right of first refusal agreement and memorandum of option, a TCAC ground lease rider, subordination agreements, assignment agreements, and estoppels and certifications, and title company documents (collectively, the “Authority Financial Closing Documents”);

WHEREAS, after the transfer of the Project from AVHP II to the HACLA LLC and the subsequent transfer to the PDS II Partnership and upon the conclusion of the Financial Closing, La Cienega LOMOD, Inc., as the managing general partner of AVHP II, with the assistance of The Related Companies of California as the sole member of the former administrative general partner, will wind up and dissolve AVHP II, whose purpose as owner of the Project as a mixed-finance project shall have been completed;

WHEREAS, acting on its own behalf, HACLA desires to permit such winding up and dissolution of AVHP II and the execution of all such documents as may be necessary to complete such dissolution (the "AVHP II Dissolution Documents");

WHEREAS, this resolution authorizes the Designated Officers, or his/her designees, to enter into agreements or other documents recited in this resolution to be executed by the LLC and the BOC authorizes such action on behalf of HACLA as the sole member and manager of the LLC; and

WHEREAS, on April 22, 2021, the BOC held a duly-noticed public meeting and considered public testimony and evidence and recommendations presented by staff in the staff report and an oral presentation related to the Project.

NOW, THEREFORE, BE IT RESOLVED that the BOC hereby authorizes each Designated Officer, as specified below, the President and CEO or his/her designee, to execute the DDA Documents, the LLC Interim Transfer Documents, the Authority Interim Transfer Documents, the LLC Conveyance Documents, the LLC Financial Closing Documents, the Authority Financial Closing Documents, and the AVHP Dissolution Documents, and to enter into any and all documents required to refinance, re-syndicate, and rehabilitate the Project and to obtain HUD approvals as contemplated hereby, including, but not limited to, any additional agreements, documents, instruments or amendments, as approved by legal counsel, whether executed by HACLA or the LLC, and authorizes the President and CEO or his/her designee to execute such other documents and take any and all other such actions as may be contemplated by this Resolution or any previous resolution of HACLA or to carry out the purpose of the foregoing authorizations in accordance with the Act, as approved by legal counsel, as such Designated Officer may deem necessary or appropriate, whether such documents are executed by HACLA or the LLC, and to address any issues arising with respect to the foregoing subsequent to the Financial Closing.

BE IT FURTHER RESOLVED that all actions taken by the Designated Officers and the other officers and agents of HACLA with respect to the foregoing are hereby approved, confirmed and ratified.
BE IT FURTHER RESOLVED that the “Designated Officers” of HACLA referred to herein are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
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<tr>
<td>Douglas Guthrie</td>
<td>President and Chief Executive Officer</td>
</tr>
<tr>
<td>Marlene Garza</td>
<td>Chief Administrative Officer</td>
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<tr>
<td>Jenny Scanlin</td>
<td>Chief Strategic Development Officer</td>
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<tr>
<td>Margarita Lares</td>
<td>Chief Programs Officer</td>
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BE IT FURTHER RESOLVED that this Resolution shall take effect immediately.

HOUSING AUTHORITY OF THE
CITY OF LOS ANGELES

By: ___________________________
Cielo Castro, Acting Chair

APPROVED AS TO FORM:

BY: __________________________
James Johnson, General Counsel

DATE ADOPTED: ______________________
ATTACHMENT 2

ORGANIZATIONAL CHARTS
PUEBLO DEL SOL-II CURRENT OWNERSHIP STRUCTURE

Aliso Village II Housing Partners, L.P.

La Cienega LOMOD, Inc.
Managing General Partner
0.005% Ownership Interest

Related/ Aliso II Development Co., LLC
Administrative General Partner
0.005% Ownership Interest

Housing Authority of the City of Los Angeles
Limited Partner
99.99% Interest Ownership
PUEBLO DEL SOL-II INTERIM OWNERSHIP

HACLA PDS LLC

Housing Authority of the City of Los Angeles
*Sole Member and Owner*

100% Ownership Interest
ATTACHMENT 3

LIST AND DESCRIPTION OF KEY FINANCING DOCUMENTS
## I. Acquisition / Conveyance

1. **Amendment to Disposition and Development Agreement**
   - **Signatories**: HACLA, Pueblo del Sol II Housing Partners, L.P.
   - **Recordable**: No
   - **Description**: This document amends the DDA (approved by the BOC in 2019 and executed) to update specific deal terms and financing. It provides that the project will be transferred from Aliso Village II Housing Partners, L.P. (“AVHP II Partnership”) to HACLA PDS LLC (an affiliate of HACLA) instead of to HACLA. It also sets the purchase price, updates the schedule of performance, changes the ground lease term to 65 years, changes the acquisition loan term to 55 years, and changes the acquisition loan interest rate to 2.5%.

## II. Interim Transfer

2. **Assignment of Distribution Agreement**
   - **Signatories**: HACLA, HACLA PDS LLC
   - **Recordable**: No
   - **Description**: The Distribution Agreement was executed by HACLA in September 2020 to meet TCAC requirements. This document assigns the Distribution Agreement to HACLA PDS LLC. It is pursuant to this document that AVHP II Partnership will execute a grant deed to HACLA PDS LLC for the improvements and assign the existing ground lease, TCAC regulatory agreement, and other documents pertaining to the project.

3. **Assignment and Amendment of Real Estate Purchase Agreement**
   - **Signatories**: HACLA, HACLA PDS LLC, Pueblo del Sol II Housing Partners, L.P.
   - **Recordable**: No
   - **Description**: The Real Estate Purchase Agreement, was executed by HACLA in September 2020 to meet TCAC requirements. This document assigns the Real Estate Purchase Agreement to HACLA PDS LLC. It is pursuant to this document that HACLA PDS LLC will sell the project to Pueblo del Sol II Housing Partners, L.P. This document also amends the Real Estate Purchase Agreement to update the purchase price and to adjust the legal description delete a narrow piece of land along the boundary of the property that will be conveyed to LAUSD after this closing.

4. **Amendment to Mixed-Finance Amendment to Consolidated Annual Contributions Contract**
   - **Signatories**: HACLA, HUD
   - **Recordable**: No
   - **Description**: This document amends the ACC to reflect HACLA PDS LLC as the sole owner for of the project. In this document, HUD acknowledges the Interim Transfer will occur before the project is transferred to a limited partnership and converted under the RAD program. This document provides that at the Interim Transfer, mixed finance documents executed as part of the 2002 financing of the project—including a regulatory and
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<td>operating agreement, ground lease, and declaration of trust and partial release of prior declaration of trust, will be assigned from AVHP II Partnership to HACLA PDS LLC. Accordingly, the Interim Transfer will involve the execution of assignments, assumptions, and/or amendments of declaration of trust and partial release of prior declaration of trust, regulatory and operating agreement, ground lease and memorandum of lease, AFR loan documents, and zero interest loan documents.</td>
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<td><strong>5.</strong> Assignments, Assumptions, and/or Amendments</td>
<td>Varies by document, and includes HACLA, HACLA PDS LLC, HUD, Aliso Village II Housing Partners, L.P., Pueblo del Sol II Housing Partners, L.P., TCAC, McCormack Baron Management Inc., and Housing Promise Corporation</td>
<td>Varies by document</td>
<td>In the Interim Transfer, AVHP II Partnership will assign a number of project related documents to HACLA PDS LLC, and HACLA PDS LLC will assume these documents. Some of these documents will be consented to by HACLA. This assignment and assumption is accomplished by execution of assignments, assumptions, and/or amendments of declaration of trust and partial release of prior declaration of trust, regulatory and operating agreement, ground lease and memorandum of lease, AFR loan documents, zero interest loan documents, TCAC regulatory agreement, and solar easement agreement. AVHP II Partnership will also assign to HACLA PDS LLC a number of project documents such as the management contract, management plan, services agreements, and tenant leases.</td>
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<td>III. RAD / Financial Closing</td>
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<td><strong>6.</strong> Terminations (of various mixed finance documents recorded on the property in 2002)</td>
<td>Varies by document, and includes HACLA, HACLA PDS LLC</td>
<td>Yes</td>
<td>In the Financial Closing, the documents that were recorded against the property as part of the 2002 closing will be terminated and removed as encumbrances on title. This is accomplished through the execution of terminations of ground lease and memorandum of lease and regulatory and operating agreement.</td>
</tr>
<tr>
<td><strong>7.</strong> Termination of Amended Mixed Finance Amendment to Consolidated Annual Contributions Contract</td>
<td>HACLA, HUD</td>
<td>No</td>
<td>This document terminates the Amended Mixed Finance Amendment to Consolidated Annual Contributions Contract (the document being terminated is executed at the Interim Transfer and summarized above).</td>
</tr>
<tr>
<td><strong>8.</strong> Termination of AFR Loan Documents and Substitution of Trustee and Full Reconveyance</td>
<td>HACLA, HACLA PDS LLC</td>
<td>Yes</td>
<td>HACLA will forgive the AFR loan (originally made to AVHP II Partnership and assigned to HACLA PDS LLC at the Interim Transfer) at the RAD / Financial Closing and will execute this document to release from title the deed of trust securing the AFR loan.</td>
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<tr>
<td></td>
<td>Description</td>
<td>Parties</td>
<td>Required?</td>
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<tr>
<td>9</td>
<td>Assignment and Assumption of Leases and Rents, Service Contracts and Intangibles</td>
<td>HACLA PDS LLC, Aliso Village II Housing Partners, L.P.</td>
<td>No</td>
</tr>
<tr>
<td>10</td>
<td>RAD Use Agreement</td>
<td>HUD, HACLA, PDS II Partnership</td>
<td>Yes</td>
</tr>
<tr>
<td>11</td>
<td>Grant Deed</td>
<td>HACLA PDS LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>12</td>
<td>Ground Lease</td>
<td>HACLA, Pueblo del Sol II Housing Partners</td>
<td>No</td>
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<td></td>
<td>Memorandum of Ground Lease</td>
<td>HACLA, Pueblo del Sol II Housing Partners</td>
<td>Yes</td>
</tr>
<tr>
<td>13</td>
<td>Acquisition Loan Agreement</td>
<td>HACLA PDS LLC, Pueblo del Sol II Housing Partners</td>
<td>No</td>
</tr>
<tr>
<td>14</td>
<td>Acquisition Loan Promissory Note</td>
<td>Pueblo del Sol II Housing Partners</td>
<td>No</td>
</tr>
<tr>
<td>15</td>
<td>Acquisition Loan Deed of Trust</td>
<td>Pueblo del Sol II Housing Partners</td>
<td>Yes</td>
</tr>
<tr>
<td>16</td>
<td>Option and Right of Refusal Agreement</td>
<td>PDS II Partnership, HACLA, Related/Pueblo del Sol II Development</td>
<td>No</td>
</tr>
<tr>
<td>Memorandum of Option and Right of First Refusal</td>
<td>Co., LLC, LOMOD PDS LLC, GSB LIHTC Investor LLC</td>
<td>HACLA also has the right of first refusal to purchase the project, which means if the PDS II Partnership intends to sell or dispose of the project during a specified time period, then before accepting a third party offer the PDS II Partnership must notify HACLA of this offer, and HACLA, or its designated affiliate, has the right to buy the project.</td>
<td>Yes</td>
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FIRST AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT
FOR PUEBLO DEL SOL – PHASE II

This First Amendment to Disposition and Development Agreement for Pueblo Del Sol–Phase II (the “Amendment”), is made and entered into as of ______________, 2021 by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the “Authority”) and PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership (the “Developer” and collectively with the Authority, the “Parties”) with reference to the following recitals of fact:

RECITALS:

A. WHEREAS, the Parties entered into that certain Disposition and Development Agreement for Pueblo de Sol – Phase II, dated November 13, 2019 (the “Original Agreement”) regarding the proposed acquisition and development of real property located at 1300 Plaza del Sol, Los Angeles, California, as more specifically set forth therein (the “Property”); and

B. WHEREAS, the Parties desire to amend the Original Agreement as set forth in this Amendment.

AGREEMENT:

1. Original Agreement. Except as amended hereby, the Original Agreement remains unmodified and in full force and effect. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Original Agreement.

2. Recital J; Section 2.3. – The Parties hereto acknowledge while the Original Agreement contemplates that the Authority will acquire the Project from AVHP II pursuant to the Distribution Agreement and then sell it to the Developer, the Parties have agreed to the formation of HACLA PDS LLC, a California limited liability company, in which the Authority acts as the sole member, to acquire the Project from AVHP II and then sell the Project to Developer.

3. Definitions. The following terms are hereby deleted in their entirety and replaced with the following:

“Acquisition Document Execution Date” means the date before Closing agreed to by the Parties.

“Seller” means HACLA PDS LLC, a California limited liability company.

4. Section 2.7. The third sentence of Section 2.7 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

“The Ground Lease shall provide for, without limitation, subject to final negotiations with lenders and investors, a term commencing on the date of Closing and expiring approximately 65 years after recordation of the Memorandum of Ground Lease or such other period as may be required for tax structuring purposes or as the parties may agree.”
5. **Section 4.3(b).** The Purchase Price for purposes of Section 4.3(b) is agreed to be $19,630,000.

6. **Section 4.3(c)(iii).** The first sentence of Section 4.3(c)(iii) of the Original Agreement is hereby deleted in its entirety and replaced with the following:

   "(iii) the Acquisition Loan shall mature 55 years following Permanent Loan Conversion, and shall earn interest at the rate of 2.50% per annum compounding annually and shall be repaid out of seventy percent (70%) of Net Cash Flow remaining in the priority described in the Amended and Restated Partnership Agreement."

7. **Legal Description; Handball Court Parcel.** In order to delete the approximately 2-foot wide strip of land known as the "Handball Court Parcel" from the leasehold so that it can be conveyed to the Los Angeles Unified School District ("LAUSD") following the Closing, the legal description attached to the Original Agreement is hereby deleted and replaced with the legal description attached hereto as Exhibit A.

8. **Authority Conditions to Close.** A new subsection (ix) is added to Section 3.2(a) as follows:

   (ix) Handball Court Parcel. The Title Company shall have committed to remove the HUD Declaration of Trust and the other existing Project-related encumbrances required to be removed from the Handball Court Parcel under the terms of the Property Exchange Agreement between HACLA and LAUSD as of the Closing.

9. **Schedule of Performance.** The Schedule of Performance attached to the Original Agreement is hereby deleted and replaced the Schedule of Performance attached hereto as Exhibit B.

10. **Purchase and Sale Agreement.** With respect to Section 11(a) of the Purchase and Sale Agreement, the Parties hereby agree that Seller agrees that it will maintain all insurance required by approved Amended and Restated Partnership Agreement and the Project Loans with respect to the Property (or comparable insurance) until the earlier of the Close of Escrow (as defined in the Purchase and Sale Agreement) or the termination by Buyer or Seller of its obligation to complete the Transaction.

11. **Financing Plan –** The parties here acknowledge that the Financing Plan attached hereto as Exhibit B constitutes the Final Financing Plan contemplated by the Original Agreement.

12. **Applicable Law.** This Amendment shall be construed and enforced in accordance with the laws of the State of California.

13. **Counterparts.** This Amendment may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

14. **Severability of Provisions.** Each provision of this Amendment shall be considered severable, and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Amendment is determined to be invalid and contrary
to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Amendment which are valid.

15. **Amendment Binding.** This Amendment shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives and permitted successors and assigns of the parties hereto. Except as amended hereby, the Original Agreement remains unchanged and in full force and effect and the parties hereto hereby ratify and reaffirm the terms of the Original Agreement as amended hereby.

[signature page(s) to follow]
IN WITNESS WHEREOF, the Parties have duly executed this Agreement by their duly authorized signatories effective on or as of the date written at the commencement of this Agreement.

DEVELOPER:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P.,
a California limited partnership

By: Related/Pueblo del Sol II Development Co.,
LLC, a California limited liability company,
its Administrative General Partner

By: ___________________________
Frank Cardone, President

By: LOMOD PDS LLC, a California limited
liability company, its Managing General
Partner

By: La Cienega LOMOD, Inc.,
a California nonprofit public benefit
corporation, its sole member and
manager

By: _______________________
Tina Smith-Booth, President

[signatures continue on the following page]
AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: _____________________________
Douglas Guthrie
President and Chief Executive Officer

APPROVED AS TO FORM:

By: ____________________________
Authority Counsel

APPROVED AS TO FORM AND LEGALITY:

GOLDFARB & LIPMAN LLP
Authority Special Counsel

By: ____________________________
Michelle Brewer, Esq.
EXHIBIT A

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41’49” WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24’45” WEST 93.26 FEET; THENCE NORTH 85°40’52” WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19’08” EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19’08” EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°36’38” EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38’02”; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40’52” WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION OF LAND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF UTAH STREET AND VIA LAS VEGAS, AS SHOWN ON SAID TRACT; THENCE, ALONG THE CENTERLINE OF SAID VIA LAS VEGAS, THE FOLLOWING TWO (2) COURSES: (1) NORTH 85°46’10” WEST 185.69 FEET; AND (2) NORTH 83°28’59” WEST 46.05 FEET TO THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8; THENCE NORTH 04°14’27” EAST, ALONG SAID PROLONGATION, 38.87 FEET TO THE SOUTHEASTERLY CORNER OF SAID LOT 8; THENCE NORTH 85°44’46” WEST, ALONG THE SOUTHERLY LINE OF SAID LOT 8, A DISTANCE OF 50.23 FEET; THENCE NORTH 04°22’16” EAST 25.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°22’16” EAST 1.97 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 27.21 FEET NORTHERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8; THENCE, ALONG SAID PARALLEL LINE, SOUTH 85°44’46” EAST 250.64 FEET TO A POINT IN THE EASTERLY BOUNDARY OF SAID LOT 6, SAID POINT BEING ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT BEARS NORTH 87°20’31” EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°40’04” AN ARC DISTANCE OF 1.98 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 25.24 FEET NORTHERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8 AND PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE NORTH 85°44’46” WEST, ALONG SAID PARALLEL LINE, 250.87 FEET TO THE TRUE POINT OF BEGINNING.
PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
EXHIBIT B

SCHEDULE OF PERFORMANCE

This Schedule of Performance sets forth the schedule for various activities under the Disposition and Development Agreement (the “Agreement” or the “DDA”) to which this Exhibit is attached. The description of items in this Schedule of Performance is meant to be descriptive only, and shall not be deemed to modify in any way the provisions of the DDA to which such items relate. Section references herein to the DDA are intended merely as an aid in relating this Schedule of Performance to other provisions of the DDA and shall not be deemed to have any substantive effect. This Schedule of Performance assumes a Closing within one hundred and eighty (180) days after an allocation of tax exempt bonds for the Rental Development and may be extended as permitted under the terms of the tax exempt bond allocation.

<table>
<thead>
<tr>
<th>ACTION</th>
<th>OUTSIDE/FINAL DATE FOR ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Authority adopts Inducement Resolution.</td>
<td>Completed</td>
</tr>
<tr>
<td>2. Developer hires Major Consultants for predevelopment activities.</td>
<td>Completed</td>
</tr>
<tr>
<td>3. NEPA – Developer submits to HCID [Recital P].</td>
<td>Completed</td>
</tr>
<tr>
<td>4. Authority conducts TEFRA hearing</td>
<td>Completed</td>
</tr>
<tr>
<td>5. Acquisition [Section 3.3(a)(iv)]. Authority shall acquire the limited partner interests.</td>
<td>Completed</td>
</tr>
<tr>
<td>6. Authority and Developer shall cause the PDS-II encumbrances to be removed from the Handball Court Parcel [Section 3.2(a)(ix)].</td>
<td>Prior to closing of the construction loan</td>
</tr>
<tr>
<td>7. Submission of Interim Financing Plan [Section 4.3(e)]. Developer shall provide Authority with an interim rehabilitation scope of work, schedule and proforma.</td>
<td>Completed</td>
</tr>
<tr>
<td>8. Authority Approval of Interim Financing Plan [Section 4.3(e)]. Authority shall provide Developer with written approval of Interim rehabilitation scope of work, schedule and proforma.</td>
<td>Completed</td>
</tr>
<tr>
<td>9. Authority provides PBV letter commitment [Section 2.6(a)].</td>
<td>Completed</td>
</tr>
<tr>
<td>10. CDLAC Application submission to the Authority. Developer shall submit a complete application to the Authority, the Bond Issuer.</td>
<td>Completed</td>
</tr>
<tr>
<td>11. TCAC Application [Section 3.1(a)(viii)]. The Developer shall have applied for financing from TCAC.</td>
<td>Completed</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>12. CDLAC Application [Section 3.1(a)(viii)]. The Developer shall have applied for financing from CDLAC.</td>
<td>Completed</td>
</tr>
<tr>
<td>13. Authority and Developer shall request a Concept Call with HUD for the RAD Conversion</td>
<td>Completed</td>
</tr>
<tr>
<td>15. Submit a Section 3 Economic Opportunity Plan. Developer to work with General Contractor in preparing a plan for construction phase.</td>
<td>Earlier of ninety (90) days prior to the closing of the construction loan or two (2) months after selection of the General Contractor.</td>
</tr>
<tr>
<td>16. Authority obtains RAD Conversion Commitment [Section 2.6(b)].</td>
<td>Completed</td>
</tr>
<tr>
<td>17. Submission of Final Financing Plan [Section 4.1(b)]. Developer shall provide Authority with a final rehabilitation scope of work, schedule and proforma.</td>
<td>Completed</td>
</tr>
<tr>
<td>18. Authority Approval of Final Financing Plan [Section 4.1(b)].</td>
<td>Within ten (10) days of receipt</td>
</tr>
<tr>
<td>19. Relocation Plan [Section 5.11]. Developer shall require consultant to complete the Relocation plan.</td>
<td>Completed</td>
</tr>
<tr>
<td>20. Construction Contract [Section 5.6]. Developer shall submit construction contract and specifications to Authority.</td>
<td>Prior to the closing of the construction loan</td>
</tr>
<tr>
<td>21. Permits and Approvals [Section 5.6]. Developer shall have obtained the necessary Permits and Approvals to undertake the Final Scope of Work.</td>
<td>Prior to the closing of the construction loan</td>
</tr>
<tr>
<td>22. Closing and Commencement of Rehabilitation [Section 3.1(a)(vi)-(vii)]. Developer and Authority shall execute the Ground Lease and Closing Documents, as applicable, and commence the Rehabilitation.</td>
<td>Later of ninety (90) days after receipt of RAD Conversion Commitment or one hundred and eighty (180) days after TCAC/CDLAC allocations</td>
</tr>
<tr>
<td>23. Completion of Rehabilitation [Section 6.2]. Developer shall complete the Rehabilitation and Relocation of Residents per the Relocation Plan during construction and Authority shall assist in the relocation activities</td>
<td>Within twenty-two (22) months of Commencement of Rehabilitation</td>
</tr>
<tr>
<td>24. Permanent Loan Conversion.</td>
<td>Within six (6) months of completion of Rehabilitation.</td>
</tr>
</tbody>
</table>
Exhibit B

Final Financing Plan

[to be attached]
DISTRIBUTION AGREEMENT
(Aliso Village II)

This Distribution Agreement (this “Agreement”) is made and entered into as of September 21, 2020, by and between ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership (the “Partnership”), and HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body corporate and politic (“HACLA” and together with the Partnership, the “Parties”), with reference to the following recitals of fact:

RECITALS

A. Pursuant to that certain Agreement for Purchase of Limited Partnership Interest and Other Assets dated as of September 18, 2019, HACLA, as of November 14, 2019 acquired a 99.99% limited partner interest in and became the sole limited partner of the Partnership;

B. Pursuant to a Redemption Agreement to be executed between the Partnership and Related/Aliso II Development Co., LLC, as administrative general partner (the “AGP”) prior to the Distribution (as defined below), the Partnership intends to redeem the general partner interest of the AGP, upon which La Cienega LOMOD, Inc., the managing general partner of the Partnership, shall become the sole general partner of the Partnership;

C. HACLA owns the fee interest in the land (the “Land”) underlying the mixed-finance housing development known as Pueblo del Sol Phase II, and is the ground lessor under a ground lease to the Partnership (the “Ground Lease”);

D. Subject to the Ground Lease, the Partnership owns a leasehold interest in the Land and a fee interest in the improvements located in Pueblo del Sol Phase II, which leasehold interest and improvements are more fully described in EXHIBIT A attached hereto and incorporated herein by reference (collectively, the “Apartment Development”);

E. The Partnership desires to distribute (the “Distribution”) all of the following property to HACLA (or to an affiliate controlled solely by HACLA, if required) (collectively, the “Property”):

   i. Partnership’s right, title and interest in the ground leasehold estate in the Land pursuant to the Ground Lease and any right, title and interest in any sublease of adjacent land as described in the DDA, as defined below (the “Sublease”), as applicable;

   ii. all right, title and interest of Partnership in and to all buildings, structures, parking areas, sidewalks, landscaping and other improvements located on the Land (collectively, the “Improvements”);

   iii. all right, title and interest of Partnership in and to all furniture, fixtures, equipment, machinery, building materials, supplies, inventory and other tangible property owned by Partnership and located on the Land (collectively, “Personalty”);

   iv. all right, title, interest and estate of Partnership in, to and under all leases and rental agreements permitting occupancy or use of any apartment unit or other space in the Improvements (collectively, “Leases”), including unapplied refundable security deposits plus any interest earned thereon to the extent required to be maintained by applicable law; all
guaranties of Leases, if any; and all rents due under Leases (collectively, “Rents”) allocable to the period after the Distribution Close of Escrow;

v. all right, title and interest of Partnership in and to (a) all transferable permits, licenses, approvals, utility rights, development rights and similar rights related to the Property, if any, whether granted by governmental authorities or private persons, (b) all telephone numbers now serving the Apartment Development, (c) all assignable warranties and guaranties covering all or any part of the Property, (d) the name “Aliso Village,” and "Pueblo del Sol" (collectively, the “Intangibles”), and (e) all Service Contracts, as defined below;

vi. all agreements, documents and recorded restrictions executed with or subject to the approval of the U.S. Department of Housing and Urban Development ("HUD Documents");

vii. the Regulatory Agreement with the California Tax Credit Allocation Committee (the “TCAC Agreement”), the Low-Income Housing Tax Credit Application, the Tax Exempt Reservation Letter, and the initial Internal Revenue Service Form 8609 for each building in the Apartment Development (collectively, the “Tax Credit Documents”); and

viii. all tenant files and other tenant records for any period from and after the placed in service date of the Apartment Development (the “Tenant Records”, and collectively with the Tax Credit Documents, the “Records”).

ix. As used herein, “Service Contracts” means all contracts to which Partnership is a party relating to the operation, maintenance or management of the Property, including any agreements for electric, gas, telephone, cable television, security alarm monitoring, sewer, trash collection or similar services, supply contracts, leasing brokerage agreements, and insurance which the Partnership and HACLA shall have agreed will be assigned to HACLA under this Agreement.

F. The transfer of the Property contemplated by this Agreement is referred to in this Agreement as the “Transaction.”

NOW, THEREFORE, with respect to the foregoing recitals, the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing recitals shall be a part of this Agreement and are hereby fully incorporated herein.

2. Distribution Date. The "Distribution Date" shall mean the date upon which the Distribution occurs after the fulfillment or waiver of the Distribution Conditions, as defined below.

3. Mutual Conditions Precedent to Distribution: The following are conditions precedent to the obligations of both Parties to effectuate the Distribution (collectively, the "Distribution Conditions"):  

2
(a) The written approval of HUD, the Authority and Aliso Village Housing Corporation, as parties to the financing and regulatory documents recorded against the Project, TCAC, and if applicable, LAUSD (collectively, the "Approvals") shall have been obtained; and

(b) The Redemption of the AGP partnership interest shall have occurred under the Redemption Agreement and the Partnership shall have filed an LP-2 with the California Secretary of State.

(c) All conditions to Closing (as defined in the DDA) set forth in Article 3 of that certain Disposition and Development Agreement dated November 13, 2019 executed by the Authority and Pueblo del Sol II Housing Partners, L.P. (the "DDA") shall have been satisfied or waived in writing, except for the deposit into escrow of funds required for the Closing and the recordation of documents to be recorded upon the Closing.

The conditions set forth in this Section 3 shall be satisfied by the Distribution Date or such other dates as may be agreed upon by the Parties, unless both Parties waive the condition in writing. In the event a Distribution Condition does not occur by such date, then the Partnership or HACLA may terminate this Agreement upon written notice to the other party without further liability under this Agreement.

4. Conditions to HACLA Obligation to Accept Distribution. In addition to the foregoing mutual conditions precedent to the Distribution, the following are conditions precedent to HACLA's obligation to accept the Distribution of the Property and close escrow thereon:

(a) Property Condition. There shall have been no material adverse change in the condition of the Property or discovery of a physical condition that would materially adversely interfere with the purpose of the Distribution.

(b) Title Insurance. The Title Company, as defined below, is prepared to issue to HACLA all title insurance reasonably required by HACLA.

(c) Insurance. HACLA, or its affiliate if required, shall have a commitment for such property, liability or other insurance as it may reasonably require as owner of the Apartment Development.

The conditions set forth in this Section 4 shall be satisfied by the Distribution Date or such other dates as may be agreed upon by the Parties, unless HACLA waives the condition in writing. In the event a Distribution Condition does not occur by such date, then may terminate this Agreement upon written notice to the Partnership without further liability under this Agreement.

5. Property Distribution. On the Distribution Date and subject to the Distribution Conditions, the Partnership desires to distribute the Property to HACLA, and HACLA desires to accept the Property. The distribution of the Property will be completed through an escrow ("Escrow") to be opened with Fidelity National Title Insurance Company ("Title Company" or "Escrow Agent").

(a) Partnership Deliveries. Partnership will deposit with the Escrow Agent the following items (collectively, the "Partnership Documents"):
(i) an assignment and assumption of lease, conveying to HACLA, or affiliate, if required, a ground leasehold estate in the Land pursuant to the Ground Lease and in any adjacent sublease;

(ii) a grant deed, executed and acknowledged by Partnership, conveying to HACLA fee simple title to the Improvements;

(iii) a bill of sale, executed by Partnership, conveying the Personalty to HACLA free of any liens or encumbrances;

(iv) an assignment of leases and rents, executed and acknowledged by Partnership, conveying to HACLA all right, title, interest and estate of Partnership in, to and under all Leases and all Rents;

(v) an assignment, executed by Partnership, conveying to HACLA all right, title and interest of Partnership in, to and under the Intangibles and Service Contracts (the "Assignment of Service Contracts");

(vi) such documents as may be required by HUD in connection with the HUD Documents and/or the Approvals;

(vii) an executed and acknowledged assignment and assumption agreement approved by TCAC that assigns the TCAC Agreement;

(viii) an affidavit, dated the date of Distribution Close of Escrow and executed by an appropriate representative of Partnership under penalty of perjury, stating that Partnership is not a person with respect to whom withholding is required under Section 1445 of the Internal Revenue Code; and

(ix) such documents as Escrow Agent may reasonably require to establish the authority of Partnership to complete the Transaction.

(b) HACLA’s Deliveries. HACLA will deposit with the Escrow Agent the following:

(i) such documents as may be required by HUD in connection with the HUD Documents and/or the Approvals;

(ii) an executed and acknowledged assignment and assumption agreement approved by TCAC that assigns the TCAC Agreement;

(iii) an assumption agreement, executed by HACLA, assuming Partnership’s obligations under the Leases;

(iv) an executed counterpart of the Assignment of Service Contracts;

(v) such documents as the Escrow Agent may reasonably require to establish the authority of HACLA to complete the Transaction.
6. **Representations and Warranties.** In order to induce HACLA to enter into this Agreement and to complete the Transaction, Partnership represents and warrants to HACLA that, as of the Distribution Close of Escrow:

   (1) Partnership is a limited partnership duly organized and validly existing under the laws of the State of California. Partnership is the owner of a leasehold interest in the Land and fee title to the Improvements. Subject to the Approvals, Partnership has the authority and power to enter into this Agreement, to perform its obligations under this Agreement and to complete the Transaction as contemplated by this Agreement. Subject to the Approvals, Partnership has taken all action necessary to authorize the execution and delivery of this Agreement, the performance by Partnership of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement;

   (2) Subject to the Approvals, this Agreement has been duly executed and delivered by Partnership and constitutes a valid, binding and enforceable obligation of Partnership, subject to bankruptcy and other debtor relief laws and principles of equity;

   (3) Subject to the Approvals, the execution and delivery of this Agreement by Partnership and the performance by Partnership of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement will not result in (a) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which Partnership is party or by which Partnership or the Property is bound (except Service Contracts, as to which Partnership makes no representation or warranty), or (b) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to Partnership or any judgment, order or decree of any court or governmental authority that is binding on Partnership;

   (4) There is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of Partnership, threatened by or before any court or governmental authority (a) against or affecting the Property or arising out of the development, construction, financing, operation, leasing, maintenance or management of the Property or (b) that would prevent or hinder the performance by Partnership of its obligations under this Agreement or the completion of the Transaction as contemplated by this Agreement;

   (5) Partnership has not received any written notice of any material default by Partnership under any Service Contract. As of the Distribution Date, there are no Service Contracts other than those listed on the assignment of Service Contracts included in the Partnership Documents;

   (6) Except as set forth in the tax bills for the Property, Partnership has received no written notice of any additional special assessments of any kind being levied against all or part of the Property after Closing;

   (7) Partnership is not a foreign person, corporation, partnership, trust or estate for purposes of Section 1445 of the Internal Revenue Code; and

   (8) Except for the Approvals, consents required under Service Contracts as set forth in the Assignment of Service Contracts and consents or notices required by the agreements listed on EXHIBIT B, attached hereto, and approvals, authorizations and filings already completed, Partnership is not required to obtain any consent, approval or authorization from, or to make any filing with, any person (including any governmental authority) in connection
with, or as a condition to, the execution and delivery of this Agreement, the performance by Partnership of its obligations under this Agreement or the completion of the Transaction as contemplated by this Agreement.

7. **Indemnification.** The Partnership shall defend, indemnify, and hold harmless the Authority, its commissioners, directors, officers, employees, agents, instrumentalities and affiliates from and against all liability, loss, damage, cost, and expense, including all attorneys' fees, and all liens, claims, suits, and demands therefor (collectively, the "Claims"), arising out of or resulting from the Transaction under this Agreement, except that this indemnity shall not apply to any Claims (a) caused by the gross negligence or willful misconduct of HACLA. The provisions of this Section 7 shall survive and remain in full force and effect notwithstanding the expiration or early termination of this Agreement.

8. **Casualty and Condemnation.**

   (A) **Notice to HACLA.** Partnership will notify HACLA within five (5) days after receiving notice of, or otherwise becoming aware of (1) any Casualty Loss (as defined below), or (2) the commencement of any proceedings for the taking by eminent domain of all or any part of the Property.

   (B) **Casualty Loss.** If, prior to Distribution Close of Escrow, the Property is damaged by fire, windstorm, rioting or other civil disturbance, acts of war, earthquake or other casualty (a "Casualty Loss") and the cost to repair the related damage is more than five percent (5%) of the appraised value of the Apartment Development, then HACLA, at its option, may terminate its obligation to complete the Transaction. If HACLA elects to complete the Transaction notwithstanding a Casualty Loss, or if this Agreement requires HACLA to purchase the Property despite a Casualty Loss, then Partnership will deliver to HACLA at Distribution Close of Escrow, through Escrow, all insurance proceeds previously received by Partnership, an amount equal to the deductible under Partnership’s insurance in respect of the damage and an assignment of Partnership’s rights with respect to all uncollected insurance proceeds (in either case, net of proceeds allocable to loss of use of the Property for the period through the Distribution Date and costs incurred by Partnership in connection with such proceedings) and such documents as HACLA may reasonably request to substitute itself for Partnership in any pending eminent domain proceedings.

   (C) **Eminent Domain.** If, prior to Distribution Close of Escrow, all or a part of the Property is taken by eminent domain or any proceedings for the taking by eminent domain of all or part of the Property is commenced, then HACLA, at its option, may terminate its obligation to complete the Transaction. If HACLA elects to complete the Transaction notwithstanding a taking by eminent domain or proceeding therefore, Partnership will deliver to HACLA at Distribution Close of Escrow, through the closing escrow, all condemnation proceeds previously received by Partnership and an assignment of Partnership’s rights with respect to all uncollected condemnation proceeds (in either case, net of proceeds allocable to loss of use of the Property for the period through the Distribution Date and costs incurred by Partnership in connection with such proceedings) and such documents as HACLA may reasonably request to substitute itself for Partnership in any pending eminent domain proceedings.

9. **Disclosures.** HACLA expressly acknowledges to Partnership that Partnership has complied with the disclosure requirements, if any, of California Government Code §§ 8589.3 (special flood hazard area), 8589.4 (dam failure inundation area), and 51183.5 (high fire severity
area) and California Public Resources Code §§ 2621.9 (earthquake fault zone), 2694 (seismic hazard zone) and 4136 (wildland fire area), regarding the possible presence of certain natural hazards. Partnership and HACLA acknowledge and agree that the foregoing disclosures are made based on maps or other information that is provided by various governmental agencies.

10. **Assignment; Binding Effect.** HACLA may assign its interest in this Agreement to its affiliate, HACLA PDS LLC, a California limited liability company. The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, representatives, successors and permitted assigns of the Parties hereto.

11. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter of this Agreement and may not be amended or terminated except by a writing executed by both Parties to this Agreement.

12. **Waiver.** No party hereto shall be deemed to have waived any term or provision of this Agreement unless such waiver shall be in writing. The waiver of a term or provision of this Agreement by a party hereto on one occasion shall not constitute a continuing waiver thereof or a waiver as to other terms or provisions hereof.

13. **Severability.** The provisions of this Agreement shall be severable, and if any of them is held to be invalid or unenforceable for any reason, such provision shall be modified to the extent necessary to cure such invalidity. The invalidity or unenforceability of one provision shall not affect any other provision of this Agreement.

14. **Governing Law.** This Agreement and any disputes arising hereunder or in connection herewith shall be governed by the laws of the State of California without regard to choice of law principles.

15. **Counterparts.** This Agreement may be executed in any number of original counterparts. Any such counterpart, when executed, shall constitute an original of this Agreement, and all such counterparts together shall constitute one and the same Agreement.

16. **Survival.** All covenants, undertakings and obligations under this Agreement and all representations and warranties contained in this Agreement will survive the Distribution Close of Escrow and will not be merged into the grant deed or other documents delivered pursuant to this Agreement.

17. **Attorneys' Fees.** In the event that any action, suit or proceeding is brought for the enforcement of, or the declaration of, any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, each party shall bear its own costs and expenses, including attorneys’ fees, and any judgment or decree rendered in such a proceeding shall not include an award thereof.

18. **Termination.** Notwithstanding any provision of this Agreement to the contrary, in the event the Partnership shall not have received, on or before December 31, 2020, an allocation of tax-exempt bonds for the Apartment Development from the California Debt Limit Allocation Committee, this Agreement shall automatically terminate and shall be of no further force or effect and neither party shall have any further liability hereunder, except as expressly set forth above.

[remainder of page intentionally left blank]
IN WITNESS WHEREOF, this Agreement has been duly executed on the day first above written.

ALISO VILLAGE II HOUSING PARTNERS, L.P.,
a California limited partnership

By: RELATED/ALISO II DEVELOPMENT CO., LLC,
a California limited liability company, its Administrative General Partner

By: ______________________
    Frank Cardone, President

By: LA CIENEGA LOMOD, INC., a California nonprofit corporation,
its managing general partner

By: ______________________
    Tina Smith-Booth, President

[remainder of page intentionally left blank]
HACLA: Housing Authority of the City of Los Angeles, a public body, corporate and politic

By: __________________________
Douglas Guthrie
President and Chief Executive Officer

APPROVED AS TO FORM:

By: __________________________
________________________
Authority Counsel

APPROVED AS TO FORM AND LEGALITY:

GOLDFARB & LIPMAN LLP,
Authority Special Counsel

By: __________________________
________________________
Michelle Brewer, Esq.

[end of signatures]
HACLA:
Housing Authority of the City of Los Angeles, a public body, corporate and politic

By: __________________________
Douglas Guthrie
President and Chief Executive Officer

APPROVED AS TO FORM:
By: _________________________
Authority Counsel

APPROVED AS TO FORM AND LEGALITY:
GOLDFARB & LIPMAN LLP,
Authority Special Counsel

By: __________________________
Michelle Brewer, Esq.

[end of signatures]
HACLA:
Housing Authority of the City of Los Angeles, a public body, corporate and politic

By: ____________________________
Douglas Guthrie
President and Chief Executive Officer

APPROVED AS TO FORM:

By: ____________________________
Authority Counsel

APPROVED AS TO FORM AND LEGALITY:

GOLDFARB & LIPMAN LLP,
Authority Special Counsel

By: ____________________________
Michelle Brewer, Esq.

[end of signatures]
EXHIBIT A

Legal Description of the Property

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

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING. SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
EXHIBIT B

List of Agreements and Service Contracts

NONE
ASSIGNMENT AND ASSUMPTION OF DISTRIBUTION AGREEMENT (PDS II)

This Assignment and Assumption of Distribution Agreement (this “Agreement”) is made and entered into as of April 1, 2021 (the “Assignment Date”), by and between HACLA PDS LLC, a California limited liability company (“Assignee”), and HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body corporate and politic (“Assignor” and collectively with Assignee, the “Parties”) with reference to the following recitals of fact:

RECITALS

A. WHEREAS, Assignor and the ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership have entered into that certain Distribution Agreement dated September 21, 2020 (the “Distribution Agreement”) with respect to Property (as defined in the Distribution Agreement); and

B. WHEREAS, Section 10 of the Distribution Agreement allows for the assignment and assumption of the Distribution Agreement to an affiliate of Assignor.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Distribution Agreement.

2. Assignment and Assumption of Distribution Agreement. Assignor hereby assigns to Assignee, and Assignee hereby assumes from Assignor, all of Assignor’s rights, title, interests and obligations relating to the Distribution Agreement.

3. Miscellaneous.

   (a) Effect of Agreement. Except to the extent the Distribution Agreement is modified by this Agreement, the remaining terms and conditions of the Distribution Agreement shall remain unmodified and in full force and effect.

   (b) Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof.

   (c) Counterparts. This Agreement may be executed in one or more counterparts, including facsimile (or electronic mail) counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute the same Agreement.

   (d) Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the Parties hereof and their respective successors and assigns.
(e) **Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California without regard to conflicts of law principles.

(f) **Authority of Parties.** The Parties hereby warrant that the signatory of each Party has the legal authority to bind its respective Party.

[remainder of page left intentionally blank; signature pages follow]
The Parties have executed this Assignment and Assumption of Distribution Agreement as of the day and year first set forth above.

ASSIGNOR:

Housing Authority of the City of Los Angeles, a public body, corporate and politic

By: ________________________
    Douglas Guthrie
    President and Chief Executive Officer

ASSIGNEE:

HACLA PDS LLC, A California limited liability company

By: Housing Authority of the City of Los Angeles, a public body, corporate and politic
    Its sole member and manager

By: ________________________
    Douglas Guthrie
    President and Chief Executive Officer
REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement (this “Agreement”), dated as of September 21, 2020, (the “Effective Date”) is between Housing Authority of the City of Los Angeles, a public body, corporate and politic (“Seller”), and Pueblo del Sol II Housing Partners, L.P., a California limited partnership (“Buyer”).

1. BACKGROUND.

(A) Seller is the owner of a 176-unit apartment development (the “Apartment Development”) commonly known as “Aliso Village – Phase II,” located in the City of Los Angeles, County of Los Angeles, State of California. Seller owns a leasehold estate in and to the real property and fee title to all buildings, structures, parking areas, sidewalks, landscaping and other improvements comprising the Apartment Development. Seller also owns and shall retain a fee interest in the land which has not been merged into the leasehold estate.

(B) This Agreement is made pursuant to that certain Disposition and Development Agreement, dated as of November 13, 2019 (the “DDA”), between Buyer and Seller and is made to further the Rehabilitation for the benefit of both Buyer and Seller. All terms not otherwise defined herein shall have the meanings set forth in the DDA.

(C) Seller has acquired (or will acquire) the Apartment Development from Aliso Village II Housing Partners, L.P., a California limited partnership (“AVHP II”), immediately prior to the sale contemplated hereby and, as a public agency, Seller will sell the Apartment Development to Buyer.

(D) Buyer desires to acquire all of Seller’s right, title and interests in the Real Property, as defined below (including without limitation, the Apartment Development), and other interests described in Section 2 below on the terms and conditions set forth in this Agreement, and Seller has agreed that it is willing to sell the Real Property and other interests to Buyer on such terms and conditions.

2. AGREEMENT TO PURCHASE.

Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of the following property (collectively, the “Property”):

(A) Seller’s right, title and interest in the ground leasehold estate in the real property comprising the lots or tracts of land described in Exhibit A to this Agreement and all related rights and appurtenances (the “Land”). To effectuate the foregoing, concurrent with the Closing (i) Buyer and Seller shall enter into a new ground lease substantially in the form attached to the DDA, and (ii) the prior ground lease between Seller and AVHP II shall terminate and be of no further force or effect;

(B) all right, title and interest of Seller in and to all buildings, structures, parking areas, sidewalks, landscaping and other improvements located on the Land (collectively, the “Improvements” and with the Land, collectively, the "Real Property");
(C) all right, title and interest of Seller in and to all furniture, fixtures, equipment, machinery, building materials, supplies, inventory and other tangible property owned by Seller and located on the Land (collectively, “Personalty”);

(D) all right, title, interest and estate of Seller in, to and under all leases and rental agreements permitting occupancy or use of any apartment unit or other space in the Improvements (collectively, “Leases”), including unapplied refundable security deposits plus any interest earned thereon to the extent required to be maintained by applicable law; all guaranties of Leases, if any; and all rents due under Leases (collectively, “Rents”) allocable to the period after Close of Escrow;

(E) all right, title and interest of Seller in and to (a) all transferable permits, licenses, approvals, utility rights, development rights and similar rights related to the Property, if any, whether granted by governmental authorities or private persons, (b) all telephone numbers now serving the Apartment Development, (c) all assignable warranties and guaranties covering all or any part of the Property, (d) the names “Aliso Village” and/or “Pueblo del Sol”, excluding warranties and guaranties provided by any affiliate of Seller (collectively, the “Intangibles”), and (e) all Service Contracts, as defined below;

(F) the Regulatory Agreements with the California Tax Allocation Committee (as described below), the Low-Income Housing Tax Credit Application, the Tax Exempt Reservation Letter, and the initial Internal Revenue Service Form 8609 for each building in the Apartment Development (collectively, the “Tax Credit Documents”); and

(G) all tenant files and other tenant records for any period from and after the placed in service date of the Apartment Development (the “Tenant Records”, and collectively with the Tax Credit Documents, the “Records”).

As used herein, “Service Contracts” means all contracts to which Seller is a party relating to the operation, maintenance or management of the Property, including any agreements for electric, gas, telephone, cable television, security alarm monitoring, sewer, trash collection or similar services, supply contracts, and leasing brokerage agreements. The transfer of the Property contemplated by this Agreement is referred to in this Agreement as the “Transaction.”

3. PURCHASE PRICE.

(A) Purchase Price. The purchase price to be paid by Buyer for the Property (the “Purchase Price”) is the amount of NINETEEN MILLION SIX HUNDRED THIRTY THOUSAND DOLLARS ($19,630,000), payable on the Closing Date (as defined below).

(B) Financing. Buyer intends to obtain bond financing, along with Seller carryback financing, in an amount sufficient to finance the purchase of the Property and Seller intends to discharge the outstanding monetary liens described below:

(1) Loans to be Discharged and Released at Closing. Seller shall cause all loans encumbering the Property to be discharged at or prior to Closing.

(2) All costs and expenses incurred in connection with securing new bond financing or other financing (such as low income housing tax credits) for this Transaction shall be solely the responsibility of Buyer.
(C) **Cash Payment at Closing.** Buyer shall deposit into Escrow (as defined below) funds in an amount equal to ONE MILLION FIVE HUNDRED ONE THOUSAND SEVEN HUNDRED DOLLARS ($1,501,700). Buyer shall pay the balance of the Purchase Price to Seller in the form of a promissory note (the "Acquisition Note") secured by a subordinated deed of trust in the form and on the terms set forth in that certain Acquisition Loan Agreement to be executed by Buyer and Seller, all substantially in the form attached to the DDA.

4. Deposit.

(A) **Deposit.** Buyer shall deliver to the Escrow Agent (as hereinafter defined) a deposit in the amount of ONE DOLLAR ($1.00) (the "Deposit") within three (3) business days of the Effective Date, which shall be nonrefundable and immediately released to Seller as consideration for this Agreement. The Deposit shall be applicable to the Purchase Price. The Deposit may be delivered in cash and all other sums to be paid by Buyer to Escrow Agent pursuant to this Agreement shall be delivered by wire transfer. The term "Business Day," as used in this Agreement, means any day of the week other than a Saturday, Sunday or a legal holiday in California.

(B) **Timely Payment of Deposit.** If the Deposit is not received by Escrow Agent in a timely manner as provided herein, Seller shall have the right to terminate this Agreement upon written notice to Buyer as provided herein.

(C) **Independent Contract Consideration.** Notwithstanding anything to the contrary contained herein, Buyer and Seller hereby acknowledge and agree that the amount of the Deposit (the "Independent Contract Consideration") shall be immediately released by Escrow Agent to Seller, as consideration (together with the mutual covenants of Buyer and Seller in the DDA) for Buyer’s exclusive right to purchase the Property and shall be non-refundable to Buyer and retained by Seller under all circumstances. Upon release to Seller, the Independent Contract Consideration shall no longer constitute a portion of the Deposit, but the Independent Contract Consideration shall be applied and credited toward payment of the Purchase Price at the Close of Escrow.

(D) **Non-Refundable.** The Deposit shall be retained by Seller unless (i) Seller fails to obtain the consent of HUD and TCAC (as those terms are described below) prior to the Closing Date for any reason other than an agency’s refusal to accept the qualifications of Buyer as a new owner and operator of the Property, (ii) Buyer fails to cooperate in good faith to provide information or execute documents promptly upon Seller’s request in accordance with Section 11 (D) below, or (iii) Escrow fails to Close solely as a result of Seller’s default under this Agreement.

(E) **Balance.** On the Closing Date (as hereinafter defined), Buyer shall deposit into escrow the amount set forth in Section 3(C) above, increased or decreased by the amount of any items chargeable or any credits due to Buyer under this Agreement ("Seller Proceeds"). All existing deposits and reserves established by Seller will remain the property of Seller. However, to the extent a lender or the California Tax Allocation Committee requires the retention of such deposits and reserves, the Purchase Price shall be increased by a like amount. Buyer shall include such amount in the Seller Proceeds and such deposits and reserves shall be released and transferred and shall become the property of Buyer on the Closing Date.

(F) **Interest.** All funds received from or for the account of Buyer shall be deposited by the Escrow Agent in an interest-bearing account with a federally insured state or national
bank located in Los Angeles, California. All interest accrued on the Deposit shall become part of the Deposit. All interest earned on the Deposit shall be reported to the Internal Revenue Service, and to any other taxing authority with jurisdiction (if any), as income of the party ultimately entitled to the Deposit. Seller and Buyer, as appropriate, shall promptly execute all forms reasonably required by the other party to effectuate the intent of this Section 4(E), including Form W-9.

(G) Escrow Agent. Escrow Agent shall hold and disburse the Deposit in escrow pursuant to the terms of this Agreement. If the Closing does not occur on or before the Closing Date, as defined below, Escrow Agent shall distribute the Deposit in accordance with this Agreement and all additional mutual instructions as the parties may provide. Escrow Agent shall not be liable for any damage, liability or loss arising out of or in connection with the services rendered by Escrow Agent pursuant to this Agreement, except in the event of a breach by Escrow Agent of its obligations hereunder or the gross negligence or willful misconduct of Escrow Agent.

5. Buyer’s Assumptions.

(A) TCAC Consent. Buyer acknowledges that pursuant to that certain Regulatory Agreement ("TCAC Agreement") between Seller and the California Tax Credit Allocation Committee ("TCAC") dated as of July 22, 2003, and recorded on May 6, 2005, as Document No. 02-1068312, in the Official Records of Los Angeles County, and any amendments thereto, that the consent of TCAC is required to transfer the Property to Buyer and that an “Assumption Agreement” in recordable form executed by Buyer, whereby Buyer agrees to be bound all rights and obligations under the TCAC Agreements, must be delivered to TCAC. Buyer will prepare the Assumption Agreements for execution and acknowledgement by Seller and thereafter submit to TCAC.

(B) HUD Consent. Buyer acknowledges that (i) pursuant to that certain Aliso Village Apartments Phase II Rental Regulatory and Operating Agreement ("Original HUD Regulatory Agreement") between Seller and the AVHP II dated October 1, 2002, and recorded as Document No. 02-2407846, and amended by that certain First Amendment to Aliso Village Apartments Phase II Rental Regulatory and Operating Agreement dated December 22, 2005 and recorded as Document No. 06-1281070 (together with the Original HUD Regulatory Agreement, the "HUD Regulatory Agreement"), in the Official Records of Los Angeles County, the consent of the United States Department of Housing and Urban Development ("HUD") is required prior to the transfer of the Property to Seller under the Distribution Agreement, and (ii) pursuant to the RAD program, HUD consent will be required to transfer the Property to Buyer under this Agreement (collectively, the “HUD Consent”). Seller shall seek the HUD Consent in time to permit the Closing to occur in the time period contemplated by this Agreement and the DDA, and in accordance with the requirements of financing obtained by Buyer for the Rehabilitation.

6. CLOSE OF ESCROW.

(A) Escrow. The purchase of the Property will be completed through an escrow ("Escrow") to be opened with Fidelity National Title Insurance Company ("Escrow Agent"). The escrow will be opened within seven (7) business days of Buyer’s receipt of an allocation of multifamily housing revenue bonds from the California Debt Limit Allocation Committee for the Apartment Development by delivering to the Escrow Agent the Deposit and a fully executed
copy of this Agreement. Subject to any extension allowed by other provisions of this Agreement, and subject to the terms and conditions of this Agreement, the Close of Escrow (the “Closing”) will take place at Noon on or before 180 days from the opening of Escrow (the “Closing Date”).

As used in this Agreement, “Close of Escrow” means the recording of the Deed (as defined below) by the Escrow Agent and payment to Seller of the Purchase Price (net of adjustments allowed by this Agreement).

(B) Conditions to Seller’s Obligation to Close. Seller’s obligation to close Escrow hereunder is conditioned upon the satisfaction of all of the conditions set forth in this Section 6(B), which conditions are for the benefit of Seller, in addition to the other conditions to Seller’s obligations provided for elsewhere in this Agreement. Seller may waive any or all of such conditions in whole or in part but any such waiver shall be effective only if made in writing.

(1) Seller shall have acquired the Property from AVHP II pursuant to the Distribution Agreement;

(2) Buyer and Seller shall have entered into the Ground Lease as contemplated by the DDA;

(3) Buyer’s timely payment of the Deposit;

(4) Seller’s receipt of consent from TCAC recognizing Buyer’s assumption of Seller’s obligations under the TCAC Agreement. This Agreement and any deed conveying an interest in the Property will be subject to the terms and conditions of the foregoing TCAC Agreement;

(5) Seller’s receipt of an executed copy of the HUD Consent;

(6) Buyer’s timely payment of the Purchase Price in cash and by executed and recordation, as applicable of the Acquisition Loan Documents, as contemplated by the DDA;

(7) Escrow Holder’s receipt of a reconveyance releasing the Property from the liens of the all loans encumbering the Property prior to Closing;

(8) Buyer’s representations and warranties set forth in Section 10(B) below shall remain true, correct and complete in all material respects as of the Closing Date;

(9) Buyer’s timely payment of the Closing Costs set forth in Section 9 below; and

(10) Buyer’s delivery to Escrow of Buyer’s Deliveries as set forth in Section 6(E) below.

(C) Conditions to Buyer’s Obligation to Close. Buyer’s obligation to close Escrow hereunder is conditioned upon the satisfaction of all of the conditions set forth in this Section 6(C), which conditions are for the benefit of Buyer, in addition to the other conditions to Buyer’s obligations provided for elsewhere in this Agreement. Buyer may waive any or all of such
conditions (excepting the conditions in (C)(2), (3) and (4) below) in whole or in part, but any such waiver shall be effective only if made in writing.

(1) Seller’s delivery to Escrow of Seller’s Deliveries as set forth in Section 6(D) below;

(2) Seller shall have acquired the Property from AVHP II pursuant to the Distribution Agreement;

(3) Buyer and Seller shall have entered into the Ground Lease as contemplated by the DDA;

(4) Buyer’s receipt of an executed copy of the HUD Consent executed and acknowledged by Seller, Buyer and HUD;

(5) Buyer’s receipt of consent from TCAC recognizing Buyer’s assumption of Seller’s obligations under the TCAC Agreement;

(6) Seller’s representations and warranties set forth in Section 10(A) below shall remain true, correct and complete in all material respects as of the Closing Date; and

(7) Title Company (as defined below) is irrevocably committed to issue the Title Policy pursuant to Section 6(G) below.

(D) Seller’s Deliveries. Prior to Close of Escrow, Seller will deposit with the Escrow Agent the following items (collectively, the “Seller Documents”): (1) a grant deed (the “Deed”), executed and acknowledged by Seller, conveying to Buyer a ground leasehold estate in the Land and fee simple title to the Improvements; (2) the Ground Lease, substantially in the form attached to the DDA; (3) a bill of sale, executed by Seller, conveying the Personalty to Buyer free of any liens or encumbrances; (4) an assignment of leases and rents, executed and acknowledged by Seller, conveying to Buyer all right, title, interest and estate of Seller in, to and under all Leases and all Rents allocable to the period after Close of Escrow; (5) an assignment, executed by Seller, conveying to Buyer all right, title and interest of Seller in, to and under the Intangibles and assigned Service Contracts previously disclosed to Buyer pursuant to Section 7(A); (6) an affidavit, dated the date of Close of Escrow and executed by an appropriate representative of Seller under penalty of perjury, stating that Seller is not a person with respect to whom withholding is required under Section 1445 of the Internal Revenue Code; (7) the HUD Consent; (8) the TCAC Consent; (9) an executed and acknowledged assignment and assumption agreement that assigns the TCAC Agreement (defined as the agreement listed in Section 6(B)(2)); (10) the Acquisition Loan Documents, substantially in the form attached to the DDA; and (11) such documents as Escrow agent may reasonably require to establish the authority of Seller to complete the Transaction.

(E) Buyer’s Deliveries. Prior to Close of Escrow, Buyer will deposit with the Escrow Agent the following: (1) the Seller Proceeds and the Acquisition Loan Documents, substantially in the form attached to the DDA; (2) the Ground Lease, substantially in the form attached to the DDA; (3) such documents as the Escrow Agent may reasonably require to establish the authority of Buyer to complete the Transaction; (4) an assumption agreement, executed by Buyer, assuming Seller’s obligations under all Leases and assignable Service Contracts previously disclosed to Buyer; and (5) an executed and acknowledged assignment and
assumption agreements that assign the TCAC Agreement (defined as the agreement listed in Section 6(C)(3)).

(F) **Return of Documents.** Documents and any nonrefundable funds deposited in Escrow under Sections 4 and 6 will be returned to the person who deposited them if the Seller or Buyer terminates its obligation to complete the Transaction under circumstances permitted by this Agreement.

(A) **Close of Escrow.** Escrow Agent will accomplish the Closing on the Closing Date by recording the Deed (and such other documents as may be necessary to procure the Title Policy), and delivering funds and documents to the parties WHEN AND ONLY WHEN each of the conditions set forth in Sections 6(B) and 6(C) above have been satisfied or waived, and:

1. **Title Policy.** Fidelity National Title Insurance Company (“Title Company”) irrevocably commits to issue the Title Policy with liability in the amount of the Purchase Price, insuring fee title to the Real Property in Buyer subject only to:

   a. General and special real estate taxes and assessments that are, as of the Closing, not delinquent;

   b. Supplemental taxes, if any, pursuant to California Revenue and Taxation Code section 75, et seq., that are assessed and pertain to the period of time after the Closing; and

   c. Any encumbrance voluntarily imposed by Buyer.

(B) **Contracts, Leases, etc.** Simultaneously with the Close of Escrow, Seller will deliver to Buyer, outside of the Escrow, originals or, if originals are not in Seller’s possession, copies of (1) documents evidencing other permits, licenses, approvals, utility rights, development rights and similar rights related to the Property, if any, that are transferred to Buyer, (2) all Leases and all guaranties of Leases, (3) all assignable warranties and guaranties covering all or any part of the Property that are transferred to Buyer; and (4) all assignable Service Contracts.

(C) **Tenant Notification.** Immediately following Close of Escrow, Buyer will deliver to each tenant of the Property a letter (in a form approved by Seller, which approval shall not be unreasonably withheld), which Seller shall sign along with Buyer, notifying the tenant of the transfer of the Property and advising the tenant that Buyer has assumed responsibility for Deposits (as defined below) made by such tenant.

7. **TERMINATION.**

Notwithstanding any provision of this Agreement to the contrary, in the event the Buyer shall not have received, on or before December 31, 2020, an allocation of tax-exempt bonds for the Apartment Development from the California Debt Limit Allocation Committee, this Agreement shall automatically terminate and shall be of no further force or effect and neither party shall have any further liability hereunder, except as expressly set forth in this Agreement.
8. TITLE INSURANCE.

(A) At Closing, Seller shall deliver title to the Property subject only to the Permitted Exceptions (as defined in the DDA).

(B) Buyer’s obligation to purchase the Property is conditioned on the Escrow Agent issuing to Buyer an ALTA Standard Title Policy upon the Close of Escrow pursuant to the terms of this Agreement (the “Title Policy”) insuring that Buyer holds a leasehold title to the Real Property and fee title to the Improvements and all related appurtenances. The Title Policy must be in the amount of the Purchase Price, must contain as exceptions only PermittedExceptions and additional exceptions for matters created by Buyer and shall contain those endorsements to the Title Policy that Fidelity National Title Insurance Company (“Title Company”) has agreed to issue, which shall be paid for by Buyer. Seller will pay the premium for a standard coverage ALTA title policy (excluding endorsements) issued in the amount of the Purchase Price. If Buyer requires an ALTA Extended Title Policy, or a binder in lieu of a policy of title insurance, then Buyer shall pay all additional costs of obtaining the ALTA Extended Title Policy and all endorsements or binder including, without limitation, any survey costs.

9. CLOSING COSTS, PRORATIONS AND DEPOSITS.

(A) Closing Costs. Seller shall pay one-half of any escrow fee charged by the Escrow Agent and the recording costs for the Deed, and all of the real property documentary transfer tax on the Deed. Buyer shall pay one-half of any escrow fee charged by the Escrow Agent, the cost of a current survey and all other customary closing costs. Buyer and Seller each will pay its own attorneys’ fees. Other costs will be paid by Seller or Buyer, as applicable, as specified by other provisions of this Agreement.

(B) Prorations. Seller and Buyer will prorate, effective as of the Close of Escrow, all collected Rents and all expenses of operation of the Property (including utilities and real property assessments), except for insurance premiums, based upon the official tax bill(s) for the current year, if available. If such bills are not available, the proration shall be based upon the last ascertainable tax bills. If any expenses cannot be determined finally as of Close of Escrow, such expense will be prorated on the best available information. Adjustments to the prorations will be made from time to time after Close of Escrow to take account of final information as to expenses estimated as of Close of Escrow that were not included in the prorations calculated at the Close of Escrow, and Buyer or Seller, as applicable, will pay the other on demand such amounts as may be appropriate based on such adjustments, together with interest at 10% per annum from the date of demand if such amount remains unpaid more than ten (10) days after demand. Any reproration of expenses must be completed within sixty (60) days after Close of Escrow or, in the case of real property assessments, within thirty (30) days current tax bills are issued, and subject to Section 9(C), neither Buyer nor Seller will be entitled to request a payment on account of re-prorations after the aforesaid sixty (60) or thirty (30) day periods.

(C) Delinquent Rents. Rents delinquent as of Close of Escrow will not be prorated. Rents collected after Close of Escrow by Buyer for any tenant must be applied first against Rents attributable to that tenant for the period before Close of Escrow, until all of such Rents have been collected, and then to Rents attributable to the period after Close of Escrow. Buyer will remit to Seller any Rents collected by Buyer that, in accordance with this Section 9(C) are allocable to the period before Close of Escrow.
(D) **Deposits.** Buyer will be entitled to a credit through Escrow for all refundable deposits under Leases, advance payments of Rent and fees prepaid by tenants held by Seller as of Close of Escrow. Nonrefundable deposits by tenants, if any, will not be prorated, nor will Buyer be entitled to a credit on account of such amounts.

10. **REPRESENTATIONS AND WARRANTIES.**

   (A) **Seller Representations and Warranties.** In order to induce Buyer to enter into this Agreement and to complete the Transaction, Seller represents and warrants to Buyer that, as of the Effective Date and the Close of Escrow:

   (1) Seller is a public agency duly organized and validly existing under the laws of the State of California. Seller is the owner of a leasehold interest to the Land and fee title to the Improvements. Seller has the authority and power to enter into this Agreement, to perform its obligations under this Agreement and to complete the Transaction as contemplated by this Agreement. Seller has taken all action necessary to authorize the execution and delivery of this Agreement, the performance by Seller of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement;

   (2) this Agreement has been duly executed and delivered by Seller and constitutes a valid, binding and enforceable obligation of Seller, subject to bankruptcy and other debtor relief laws and principles of equity;

   (3) the execution and delivery of this Agreement by Seller and the performance by Seller of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement will not result in (a) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which Seller is party or by which Seller or the Property is bound (except Service Contracts, as to which Seller makes no representation or warranty), or (b) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to Seller or any judgment, order or decree of any court or governmental authority that is binding on Seller;

   (4) there is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of Seller, threatened by or before any court or governmental authority (a) against or affecting the Property or arising out of the development, construction, financing, operation, leasing, maintenance or management of the Property or (b) that would prevent or hinder the performance by Seller of its obligations under this Agreement or the completion of the Transaction as contemplated by this Agreement;

   (5) Seller has not received any written notice of any material default by Seller under any assigned Service Contracts. As of the Effective Date, to Seller’s knowledge, there are no Service Contracts other than those made available to Buyer;

   (6) Except as set forth in the tax bills for the Property, Seller has received no written notice of any additional special assessments of any kind being levied against all or part of the Property after Closing;
(7) Seller is not a foreign person, corporation, partnership, trust or estate for purposes of Section 1445 of the Internal Revenue Code; and

(8) except for consents required under Service Contracts and consents or notices required by the Agency Agreements listed on Exhibit C, attached hereto, and approvals, authorizations and filings already completed, Seller is not required to obtain any consent, approval or authorization from, or to make any filing with, any person (including any governmental authority) in connection with, or as a condition to, the execution and delivery of this Agreement, the performance by Seller of its obligations under this Agreement or the completion of the Transaction as contemplated by this Agreement.

(B) Buyer Representation and Warranties. In order to induce Seller to enter into this Agreement and to complete the Transaction, Buyer represents and warrants to Seller that, as of the Effective Date and the Close of Escrow:

(1) Buyer has the requisite power to enter into this Agreement, to perform its obligations under this Agreement and to complete the Transaction as contemplated by this Agreement. Buyer has taken all action necessary to authorize the execution and delivery of this Agreement, the performance by Buyer of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement;

(2) this Agreement has been duly executed and delivered by Buyer and constitutes a valid, binding and enforceable obligation of Buyer, subject to bankruptcy and other debtor relief laws and principles of equity;

(3) the execution and delivery of this Agreement by Buyer, the performance by Buyer of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement will not result in (a) a breach of, or a default under, any contract, agreement, commitment or other document or instrument to which Buyer is party or by which Buyer is bound or (b) a violation of any law, ordinance, regulation or rule of any governmental authority applicable to Buyer or any judgment, order or decree of any court or governmental authority that is binding on Buyer;

(4) there is no action, suit, proceeding, inquiry or investigation (including any bankruptcy or other debtor relief proceeding), pending or to the knowledge of Buyer threatened, against Buyer by or before any court or governmental authority that would prevent or hinder the performance by Buyer of its obligations under this Agreement or the completion of the Transaction as contemplated by this Agreement;

(5) except for consents, approvals, authorizations and filings already completed and except for these consents expressly disclosed on Exhibit C hereto (which consents on Exhibit C are governed by Section 11(D)), Buyer is not required to obtain any consent, approval or authorization from, or to make any filing with, any person (including any governmental authority) in connection with, or as a condition to, the execution and delivery of this Agreement, the performance by Buyer of its obligations under this Agreement or the completion of the Transaction as contemplated by this Agreement; and

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Neither Buyer nor any affiliate of Buyer (as defined in 24 CFR § 200.215) has been debarred, suspended, or voluntarily excluded from participation in any program of a State government or agency, or has been the subject of a limited denial of participation issued pursuant to 24 CFR Part 24, Subpart G.

(C) Disclaimer of Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES IN SECTION 10(A), SELLER SPECIFICALLY DISCLAIMS ALL WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE (INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED BY BUYER) WITH RESPECT TO THE PROPERTY OR ITS CONDITION OR THE CONSTRUCTION, PROSPECTS, OPERATIONS OR RESULTS OF OPERATIONS OF THE PROPERTY. THE DISCLAIMERS IN THIS SECTION 10(C) SPECIFICALLY EXTEND TO (1) MATTERS RELATING TO HAZARDOUS SUBSTANCES (AS DEFINED BELOW) AND COMPLIANCE WITH ENVIRONMENTAL LAWS (AS DEFINED BELOW), (2) GEOLOGICAL CONDITIONS, INCLUDING SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND STREAMS AND RESERVOIRS AND OTHER UNDERGROUND WATER CONDITIONS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER, EARTHQUAKE FAULTS, AND MATTERS RELATING TO FLOOD PRONE AREAS, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARDS, (3) DRAINAGE, (4) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, CONDITIONS OF SOIL FILL, SUSCEPTIBILITY TO LANDSLIDES, AND THE SUFFICIENCY OF ANY UNDERSHORING, (5) ZONING AND SUBDIVISION AND COMPLIANCE WITH ZONING AND SUBDIVISION LAWS, (6) THE VALUE AND PROFIT POTENTIAL OF THE PROPERTY AND (7) DESIGN, QUALITY, SUITABILITY, STRUCTURAL INTEGRITY AND PHYSICAL CONDITION OF THE PROPERTY AND COMPLIANCE OF THE PROPERTY WITH ANY LAWS (INCLUDING BUILDING CODES AND SIMILAR LAWS, THE AMERICANS WITH DISABILITIES ACT OF 1990 AND THE FAIR HOUSING AMENDMENTS ACT OF 1988). BUYER REPRESENTS AND WARRANTS TO SELLER THAT BUYER IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED BUYER OF REAL ESTATE. BUYER ACKNOWLEDGES THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES MADE BY SELLER IN SECTION 10(A), BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY STATEMENT OF BUYER OR ANY OF ITS AFFILIATES OR ANY OFFICER, DIRECTOR, TRUSTEE, AGENT, EMPLOYEE OR OTHER PERSON ACTING OR PURPORTING TO ACT ON BEHALF OF BUYER OR ANY OF ITS AFFILIATES. BUYER ACKNOWLEDGES THAT IT HAS CONDUCTED OR WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS AS TO THE CONDITION OF THE PROPERTY AND ALL MATTERS BEARING UPON THE PROPERTY AND THE CONSTRUCTION, PROSPECTS, OPERATIONS AND RESULTS OF OPERATIONS OF THE PROPERTY AS IT DEEMS NECESSARY TO PROTECT ITS INTERESTS. BUYER IS ACQUIRING THE PROPERTY “AS IS” AND “WHERE IS” AND WITH ALL FAULTS, DEFECTS OR OTHER ADVERSE MATTERS. BUYER FURTHER ACKNOWLEDGES THAT BUYER SHALL BE ENTITLED TO CONDUCT AN ENVIRONMENTAL INVESTIGATION OF THE PROPERTY, AND THAT BUYER WILL RELY UPON THE RESULTS OF SUCH ENVIRONMENTAL INVESTIGATION IN MAKING ITS DECISION WHETHER OR NOT TO PURCHASE THE PROPERTY. AS OF THE CLOSING DATE, BUYER RELEASES SELLER FROM ANY AND ALL LIABILITY IN CONNECTION WITH ANY CLAIMS WHICH BUYER MAY HAVE AGAINST SELLER, FOR DAMAGE, LOSS, COMPENSATION, CONTRIBUTIONS, COST RECOVERY OR OTHERWISE, WHETHER IN TORT, CONTRACT, OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE EXISTENCE OF HAZARDOUS SUBSTANCES AT, ON, UNDER OR ABOUT THE PROPERTY, OR ARISING UNDER ANY ENVIRONMENTAL LAWS, OR RELATING IN ANY WAY TO THE
QUALITY OF THE INDOOR OR OUTDOOR ENVIRONMENT AT THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY RIGHT OF CONTRIBUTION UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT, 42 U.S.C. § 9601 ET SEQ., AS AMENDED (“CERCLA”). AS USED HEREIN, THE TERM “HAZARDOUS SUBSTANCES” MEANS (a) HAZARDOUS WASTES, HAZARDOUS MATERIALS, HAZARDOUS SUBSTANCES, HAZARDOUS CONSTITUENTS, TOXIC SUBSTANCES OR RELATED MATERIALS, WHETHER SOLIDS, LIQUIDS OR GASES, INCLUDING BUT NOT LIMITED TO SUBSTANCES DEFINED AS “HAZARDOUS WASTES,” “HAZARDOUS MATERIALS,” “HAZARDOUS SUBSTANCES,” “TOXIC SUBSTANCES,” “POLUTANTS,” “CONTAMINANTS,” “RADIOACTIVE MATERIALS,” OR OTHER SIMILAR DESIGNATIONS IN, OR OTHERWISE SUBJECT TO REGULATION UNDER, CERCLA, THE TOXIC SUBSTANCE CONTROL ACT, 15 U.S.C. § 2601 ET SEQ.; THE HAZARDOUS MATERIALS TRANSPORTATION ACT, 49 U.S.C. § 1802; THE RESOURCE CONSERVATION AND RECOVERY ACT, 42 U.S.C. § 9601, ET SEQ.; THE CLEAN WATER ACT, 33 U.S.C. § 1251 ET SEQ.; THE SAFE DRINKING WATER ACT, 42 U.S.C. § 300F ET SEQ.; THE CLEAN AIR ACT), 42 U.S.C. § 7401 ET SEQ.; AND IN ANY PERMITS, LICENSES, APPROVALS, PLANS, RULES, REGULATIONS OR ORDINANCES ADOPTED, OR OTHER CRITERIA AND GUIDELINES PROMULGATED PURSUANT TO THE PRECEDING LAWS OR OTHER FEDERAL, STATE OR LOCAL LAWS, REGULATIONS, RULES OR ORDINANCE NOW OR HEREAFTER IN EFFECT RELATING TO ENVIRONMENTAL MATTERS (COLLECTIVELY, THE “ENVIRONMENTAL LAWS”); AND (b) ANY OTHER SUBSTANCES, CONSTITUENTS OR WASTES SUBJECT TO ANY APPLICABLE FEDERAL, STATE OR LOCAL LAW, REGULATION OR ORDINANCE, INCLUDING ANY ENVIRONMENTAL LAW, NOW OR HEREAFTER IN EFFECT, INCLUDING BUT NOT LIMITED TO PETROLEUM, REFINED PETROLEUM PRODUCTS, WASTE OIL, WASTE AVIATION OR MOTOR VEHICLE FUEL, ASBESTOS, LEAD IN WATER, PAINT OR ELSEWHERE, RADON, POLYCHLORINATED BIPHENYLS (PCB’S), MICROBIAL MATERIALS, AND UREAFORMALDEHYDE. UPON CLOSE OF ESCROW, BUYER WILL ACCEPT THE PROPERTY SUBJECT TO ADVERSE STRUCTURAL, PHYSICAL, ECONOMIC OR ENVIRONMENTAL CONDITIONS THAT MAY THEN EXIST AND THAT WERE NOT REVEALED BY THE INSPECTIONS AND INVESTIGATIONS CONDUCTED BY BUYER, AND, PROVIDED THAT SELLER IS NOT IN MATERIAL DEFAULT UNDER THIS AGREEMENT AS OF THE CLOSE OF ESCROW AND BUYER HAS NOT PROVIDED A NOTICE OF MATERIAL DEFAULT TO SELLER, BUYER SPECIFICALLY WAIVES AND RELEASES (A) ALL WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE (INCLUDING WARRANTIES OF MERCHANTABILITY AND WARRANTIES OF FITNESS FOR USE OR ACCEPTABILITY FOR THE PURPOSE INTENDED BY SELLER) WITH RESPECT TO THE PROPERTY OR ITS CONDITION OR THE CONSTRUCTION, PROSPECTS, OPERATIONS OR RESULTS OF OPERATIONS OF THE PROPERTY (B) ALL RIGHTS, REMEDIES, RECOURSE OR OTHER BASIS FOR RECOVERY (INCLUDING ANY RIGHTS, REMEDIES, RECOURSE OR BASIS FOR RECOVERY BASED ON NEGLIGENCE OR STRICT LIABILITY) THAT BUYER WOULD OTHERWISE HAVE AGAINST SELLER OR ANY OF ITS AFFILIATES, ANY PERSON WHO HOLDS A DIRECT OR INDIRECT OWNERSHIP INTEREST IN SELLER OR ANY SUCH AFFILIATE AND THE RESPECTIVE OFFICERS, DIRECTORS, TRUSTEES, AGENTS AND EMPLOYEES OF EACH SUCH PERSON IN RESPECT OF THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS, WAIVERS AND RELEASES SET FORTH IN THIS SECTION 10(C) ARE AN INTEGRAL PART OF THIS AGREEMENT AND THAT SELLER WOULD NOT HAVE AGREED TO COMPLETE THE SALE ON THE TERMS PROVIDED IN THIS AGREEMENT WITHOUT THE DISCLAIMERS, WAIVERS AND RELEASES SET FORTH IN THIS SECTION 10(C).
Buyer expressly acknowledges to Seller that Seller has complied with the disclosure requirements, if any, of California Government Code §§ 8589.3 (special flood hazard area), 8589.4 (dam failure inundation area), and 51183.5 (high fire severity area) and California Public Resources Code §§ 2621.9 (earthquake fault zone), 2694 (seismic hazard zone) and 4136 (wildland fire area), regarding the possible presence of certain natural hazards. Seller and Buyer acknowledge and agree that the foregoing disclosures are made based on maps or other information that is provided by various governmental agencies and that Seller shall have no liability for the accuracy or completeness of any such information and that such disclosures are for informational purposes only and may not be relied upon by any party.

Buyer hereby waives any and all rights which it may have under or pursuant to (i) the provisions of Section 1542 of the Civil Code of the State of California and/or (ii) the provisions of any other similar statutory, regulatory or common law of any state, or of the United States. Section 1542 of the Civil Code of the State of California provides:

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 RELEASES, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Buyer understands fully the statutory language of Section 1542 of the Civil Code of the State of California and, having been so apprised, nevertheless releases all unknown claims as provided above.

Buyer hereby acknowledges and agrees that the provisions of this Section 10(C) are material and included as a material portion of the consideration given to Seller by Buyer in exchange for Seller’s performance under this Agreement and that Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section 10(C). Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 10(C) shall survive the Closing.

Buyer and Seller each have separately initialed this provision to indicate its agreement to such waiver.

Seller: DA  Buyer: TB

(D) Survival. The representations and warranties in Sections 10(A) and 10(B) will survive Close of Escrow, but only for a period of one (1) year, and no claim shall be allowed on any such representation or warranty unless notice of the claim and a detailed statement of the basis for the claim is delivered by the claimant to the other party within such one-year period. Nothing in this Section 10(D) limits the disclaimers, waivers and releases in Section 10(C), all of which will survive Close of Escrow without limit as to time.
Buyer expressly acknowledges to Seller that Seller has complied with the disclosure requirements, if any, of California Government Code §§ 8589.3 (special flood hazard area), 8589.4 (dam failure inundation area), and 51183.5 (high fire severity area) and California Public Resources Code §§ 2621.9 (earthquake fault zone), 2694 (seismic hazard zone) and 4136 (wildland fire area), regarding the possible presence of certain natural hazards. Seller and Buyer acknowledge and agree that the foregoing disclosures are made based on maps or other information that is provided by various governmental agencies and that Seller shall have no liability for the accuracy or completeness of any such information and that such disclosures are for informational purposes only and may not be relied upon by any party.

Buyer hereby waives any and all rights which it may have under or pursuant to (i) the provisions of Section 1542 of the Civil Code of the State of California and/or (ii) the provisions of any other similar statutory, regulatory or common law of any state, or of the United States. Section 1542 of the Civil Code of the State of California provides:

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 RELEASES, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Buyer understands fully the statutory language of Section 1542 of the Civil Code of the State of California and, having been so apprised, nevertheless releases all unknown claims as provided above.

Buyer hereby acknowledges and agrees that the provisions of this Section 10(C) are material and included as a material portion of the consideration given to Seller by Buyer in exchange for Seller's performance under this Agreement and that Seller has given Buyer material concessions regarding this transaction in exchange for Buyer agreeing to the provisions of this Section 10(C). Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Section 10(C) shall survive the Closing.

Buyer and Seller each have separately initialed this provision to indicate its agreement to such waiver.

Seller: ___________ Buyer: ___________

(D) Survival. The representations and warranties in Sections 10(A) and 10(B) will survive Close of Escrow, but only for a period of one (1) year, and no claim shall be allowed on any such representation or warranty unless notice of the claim and a detailed statement of the basis for the claim is delivered by the claimant to the other party within such one-year period. Nothing in this Section 10(D) limits the disclaimers, waivers and releases in Section 10(C), all of which will survive Close of Escrow without limit as to time.
11. **PRE-CLOSING OBLIGATIONS.**

   (A) **Maintenance of Insurance.** Seller agrees that it will maintain all insurance in effect as of the Effective Date with respect to the Property (or comparable insurance) until the earlier of the Close of Escrow or the termination by Buyer or Seller of its obligation to complete the Transaction.

   (B) **Service Contracts and Liens.** Until the earlier of the Close of Escrow or the termination by Buyer or Seller of its obligation to complete the Transaction, without Buyer’s consent, which consent shall not be unreasonably withheld or delayed, Seller will not (1) enter into any new Service Contract that will be binding upon Buyer or the Property after Close of Escrow, or amend or otherwise modify any existing Service Contract that will not expire prior to Close of Escrow, (2) grant, create or allow the creation of any easement, right-of-way, encumbrance, lien, restriction, condition, assessment or other cloud on title which affects the Property except for Leases executed in the ordinary course of business or (3) amend, extend or otherwise modify the terms of any existing easement, right-of-way, encumbrance, lien, restriction, condition, assessment or other cloud on title which affects the Property, except for Lease modifications and terminations in the ordinary course of business.

   (C) **Operations.** From the date Seller acquires title to the Property pursuant to the Distribution Agreement and until Closing, Seller shall manage and operate the Property in a manner consistent with current operational practices at the Property.

   (D) **Consents.** Seller shall have received all consents and approvals to the consummation of the transaction contemplated hereby (1) from Seller’s governing agencies, (2) that are required by law, (3) that are required by any agreement governing Seller or (4) pursuant to regulatory agreements or restrictive covenants recorded against the Property and listed on Exhibit C. With respect to consents required under the agreements listed on Exhibit C, Buyer shall cooperate with Seller in providing all information required of a buyer under the provisions of such agreements or by the governing agency and shall execute an assignment and assumption agreement for each such agreement wherein Buyer agrees to assume and observe all duties and obligations set forth in such agreements following the Close of Escrow. In that regard, Buyer shall provide Seller with an organizational chart showing the structure of the ultimate buyer of the Property, including the names of the constituent entities, their state of formation and the names of individuals authorized to execute documents relating to the Transaction on behalf of such entities.

   (E) **Return of Deposit.** Buyer shall not be entitled to a return of the Deposit, unless otherwise specifically provided for in this Agreement; provided only, however, that if Seller cannot obtain the consents described in Section 6(B) for any reason other than Buyer’s failure to cooperated in good faith to provide information or execute documents promptly upon Seller’s request in accordance with Section 11(D) above, Buyer shall be entitled to the return of the Deposit. All costs associated with obtaining the agency consents, excepting Seller legal costs, shall be a Buyer’s cost.

12. **REMEDIES.**

   (A) **Liquidated Damages.** If Buyer fails to purchase the Property in violation of this Agreement, Seller shall have all remedies available at law.
(B) **Buyer’s Remedy.** If Seller fails to perform any of its obligations under this Agreement, then Buyer (provided that Buyer is not then in a material default under this Agreement), as its sole and exclusive remedy, may (1) terminate its obligation to complete the Transaction, in which case Buyer may recover the Deposit, (2) enforce specific performance of Seller’s obligation to sell the Property pursuant to this Agreement, in which case the provisions of Section 17(C) shall apply, or (3) seek damages or any other legal remedy from Seller.

(C) **Cumulative Remedies.** Except as otherwise specifically provided in this Agreement, all remedies provided for in this Agreement or available as a matter of law (whether at law, in equity, by statute or otherwise) are cumulative and may be exercised concurrently or consecutively, in such order as a party may elect. Limitations on remedies apply only to the obligations specifically referenced to be limited.

13. **BROKERAGE.**

No broker has been retained by either Seller or Buyer with respect to the Transaction. Seller and Buyer each agree to indemnify and defend the other and hold the other harmless against any claim for a commission, finder’s fee or similar compensation asserted by any person retained by or claiming through the indemnifying party in connection with the Transaction or the execution of this Agreement and all related loss, damage, liability, obligation, claim, suit, cause of action, judgment, settlement, penalty, fine or cost or expense (including fees and disbursements of attorneys and other professionals and court costs).

14. **POSSESSION.**

Seller will deliver possession of the Property to Buyer at the time of Close of Escrow, subject to (A) rights of tenants under Leases identified in the rent roll delivered at Close of Escrow and (B) the Permitted Exceptions.

15. **CASUALTY AND CONDEMNATION.**

(A) **Notice to Buyer.** Seller will notify Buyer within five (5) days after receiving notice of, or otherwise becoming aware of (1) any Casualty Loss (as defined below), or (2) the commencement of any proceedings for the taking by eminent domain of all or any part of the Property.

(B) **Casualty Loss.** If, prior to Close of Escrow, the Property is damaged by fire, windstorm, rioting or other civil disturbance, acts of war, earthquake or other casualty (a “Casualty Loss”) and the cost to repair the related damage is more than five percent (5%) of the Purchase Price, then Buyer, at its option, may terminate its obligation to complete the Transaction, in which case the Deposit with accrued interest will be returned to Buyer. If Buyer elects to complete the Transaction notwithstanding a Casualty Loss, or if this Agreement requires Buyer to purchase the Property despite a Casualty Loss, then Seller will deliver to Buyer at Close of Escrow, through Escrow, all insurance proceeds previously received by Seller, an amount equal to the deductible under Seller’s insurance in respect of the damage and an assignment of Seller’s rights with respect to all uncollected insurance proceeds (in either case, net of proceeds of rental loss and business interruption insurance allocable to the period through the Closing Date, amounts expended by Seller to stabilize or repair the Property and costs incurred by Seller in making proof of loss or settling claims with insurers), and Seller will cooperate with Buyer after Close of Escrow in making claim for, and collecting, all available insurance proceeds.
16. **CONSEQUENCES OF TERMINATION.**

If Buyer or Seller terminates its obligation to complete the Transaction under circumstances permitted by this Agreement, neither Buyer nor Seller will have any further obligation under this Agreement, except indemnity obligations under Sections 7(C) and 13, provided, however, that, if this Agreement is terminated before Seller acquires the Property, Seller shall have no obligation to acquire the Property, and once Seller acquires the Property this Agreement shall not be terminated. Nothing in this Section 16 is intended to limit the obligations of the Escrow Agent or the provisions of this Agreement dealing with the disposition of funds or documents held in escrow following termination of the obligations of Buyer or Seller. If Buyer or Seller terminates its obligation to complete the Transaction (other than as a consequence of Seller’s default), Buyer will deliver to Seller (A) all materials related to the Property provided to Buyer by Seller, and (B) copies of all reports and studies prepared for Buyer by third-party consultants (other than attorneys) relating to the Property.

17. **MISCELLANEOUS.**

(A) **Survival.** Subject to Sections 10(C) and 10(D), all covenants, undertakings and obligations under this Agreement and all representations and warranties contained in this Agreement will survive the Close of Escrow and will not be merged into the Deed or other documents delivered pursuant to this Agreement.

(B) **Interpretation.** When the context so requires in this Agreement, words of one gender include one or more other genders, singular words include the plural, and plural words include the singular. Use of the words “include” and “including” are intended as an introduction to illustrative matters and not as a limitation. References in this Agreement to “Sections” are to the numbered subdivisions of this Agreement, unless another document is specifically referenced. The word “party” when used in this Agreement means either Buyer or Seller unless another meaning is required by the context. The word “person” includes individuals, entities and governmental authorities. The word “governmental authority” is intended to be construed broadly and includes governmental agencies, instrumentalities, bodies, boards, departments and officers and individuals acting in any official capacity. The word “laws” is intended to be construed broadly and includes all codes, statutes, case law, rules, regulations, pronouncements, requirements, orders, directives, decisions, decrees, judgments and formal or informal guidance or interpretations of any court or governmental authority.

(C) **Attorneys’ Fees.** In the event that any action, suit or proceeding is brought for the enforcement of, or the declaration of, any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, each party shall bear its
own costs and expenses, including attorneys’ fees, and any judgment or decree rendered in such a proceeding shall not include any award thereof.

(D) Notice. Any notice or other communication to any party given under this Agreement will be effective only if in writing delivered to whichever of the following addresses is applicable:

If to Buyer:
Pueblo del Sol II Housing Partners, L.P.
c/o Related California
18201 Von Karman Avenue, Suite 900
Irvine, California 92612
Attn: Frank Cardone

with a copy to:
The Related Companies of California
18201 Von Karman Avenue, Suite 900
Irvine, California 92612
Attn: Legal Department

If to Seller:
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd., Third Floor
Los Angeles, California, 90057
Attn: Doug Guthrie

with a copy to:
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd., Third Floor
Los Angeles, California, 90057
Attn: Becky Churchill Clark, Esq.

and a copy to: Escrow and Title Company

Any notice or other communication will be deemed received only upon delivery to the address provided for in this Section 17(D) or rejection of delivery at such address. Notice may be given by facsimile transmission, and confirmation of transmission generated by the sender’s equipment will be prima facie evidence of receipt. The addresses and addressees to which notice is to be given may be changed by written notice given in the manner specified in this Section 17(D) and actually received by the addressee.

(E) Successors and Permitted Assigns. This Agreement will be binding upon and will inure to the benefit of Buyer and Seller and their respective successors and permitted assigns. Any indemnity in favor of a party also will benefit each person who holds a direct or indirect ownership interest in such party and the respective officers, directors, trustees, agents, employees and affiliates of such party and such owners, and all such persons are third-party beneficiaries of this Agreement to the extent of their rights to indemnity under the related provision and may enforce that provision against Buyer or Seller, as applicable. The Escrow
Agent and the Broker are not third-party beneficiaries of this Agreement, nor may the Escrow Agent or the Broker enforce this Agreement or any obligation under this Agreement.

(F) **Headings.** The Section headings contained in this Agreement are for convenience of reference only and are not intended to delineate or limit the meaning of any provision of this Agreement or be considered in construing or interpreting the provisions of this Agreement.

(G) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which, taken together, will constitute one instrument.

(H) **Entire Agreement.** This Agreement embodies the entire agreement and understanding between Buyer and Seller with respect to its subject matter and supersedes all prior agreements and understandings, written and oral, between Buyer and Seller related to that subject matter. This Agreement and the obligations of the parties under this Agreement may be amended, waived and discharged only by an instrument in writing executed by the party against which enforcement of the amendment, waiver or discharge is sought. Joinder of the Escrow Agent and the Broker will not be necessary to make any amendment, waiver or discharge effective between Buyer and Seller.

(I) **Severability.** The determination that any provision of this Agreement is invalid or unenforceable will not affect the validity or enforceability of the remaining provisions or of that provision under other circumstances. Any invalid or unenforceable provision will be enforced to the maximum extent permitted by law.

(J) **Limited Liability.** No limited partner or general partner of the limited partnership comprising Seller, nor an officer, director or shareholder of any partner comprising, nor any employee or agent of, Seller or of Seller’s partners, shall have any personal liability directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or in connection with this Agreement, and Buyer and Buyer’s successors and assigns shall look solely to Seller’s interest in the Property or Seller’s interest in the net sales proceeds from the sale of the Property following a transfer thereof, for the payment of any claim or for any performance hereunder, and Buyer hereby waives any and all claims for personal liability against any limited partner, manager or member, or general partner of Seller, and any officer, director or shareholder of any partner comprising Seller, and any employee or agent of Seller or of any of Seller’s partners.

(K) **Assignment.** Except as set forth in this Section 17(K), neither Buyer nor Seller may assign this or its rights under this Agreement without the approval of the other party, which approval may be withheld in such other party’s discretion. Buyer may assign its rights to a related or affiliated limited partnership controlled by or under common control of Buyer, having a nonprofit managing general partner, without Seller’s approval, provided, however that if Buyer makes such an assignment, Buyer shall, notwithstanding the assignment, remain obligated under this Agreement. Seller may assign this Agreement or its rights under this Agreement to its affiliate, HACLA PDS LLC, a California limited liability company.

(L) **Confidentiality.** Buyer and Seller will treat this Agreement as confidential and will not disclose the existence of this Agreement or the terms of this Agreement without the consent of the other party, except for (1) disclosure necessary to allow a party’s employees, representatives, advisors, attorneys and consultants to perform their duties; (2) disclosure
required by law or by regulators and other governmental entities described in Section 6 (e.g., the TCAC will require a copy of this Agreement), including in response to a subpoena or similar process or as part of a filing required to be made under securities laws; (3) disclosure to Buyer's partners, investors and lenders, including the nonprofit managing general partner; and (4) disclosure in connection with litigation to enforce the terms of this Agreement.

(M) **Governing Law.** This Agreement will be governed by the laws of the State of California without giving effect to principles of conflicts of law.

IN WITNESS WHEREOF, the parties hereto have executed this Real Estate Purchase Agreement as of the Effective Date.

{signatures appear on following page}
SELLER:

Housing Authority of the City of Los Angeles, a public body, corporate and politic

By: _____________________________
Douglas Guthrie
President and Chief Executive Officer

BUYER:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership,

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, Administrative General Partner

By: ____________________________
Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, Managing General Partner

By: La Cienega LOMOD, Inc., a California nonprofit corporation

By: ____________________________
Tina Smith-Booth, President
SELLER:

Housing Authority of the City of Los Angeles, a public body, corporate and political

By: ____________________________
Douglas Guthrie
President and Chief Executive Officer

BUYER:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership,

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, Administrative General Partner

By: ____________________________
Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, Managing General Partner

By: La Cienega LOMOD, Inc., a California nonprofit corporation

By: ____________________________
Tina Smith-Booth, President
EXHIBIT A

Legal Description of the Land

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

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING. SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
EXHIBIT B

Actions, Suits, Proceedings

NONE
EXHIBIT C

Agency Agreements

1. Regulatory Agreement between Seller and the California Tax Credit Allocation Committee ("TCAC") dated as of July 22, 2003 -- Approval from of the transfer of ownership of the Property to Buyer as required by the terms of the TCAC Agreements.
ASSIGNMENT, ASSUMPTION, AND AMENDMENT TO REAL ESTATE PURCHASE AGREEMENT

This ASSIGNMENT, ASSUMPTION, and AMENDMENT AGREEMENT (the “Assignment”) is made and entered on this 1st day of May 2021 between Housing Authority of the City of Los Angeles, a public body, corporate and politic ("Assignor"), HACLA PDS LLC, a California limited liability company ("Assignee"), and Pueblo del Sol II Housing Partners, L.P., a California limited partnership ("Buyer").

Assignor (as “Seller”) and Buyer have entered into that Real Estate Purchase Agreement dated on or about September 21, 2020 (the “Purchase and Sale Agreement”) for the purchase and sale of 176-unit apartment development (the “Project”) commonly known as “Aliso Village – Phase II,” located in the City of Los Angeles, County of Los Angeles, State of California. Assignee has acquired (or will acquire) the Project from Aliso Village II Housing Partners, L.P., a California limited partnership immediately prior to the sale contemplated by the Purchase and Sale Agreement, and then Assignee will sell the Project to Buyer.

In addition, the parties desire to amend the legal description to the Purchase and Sale Agreement to delete a narrow piece of land along the boundary of the Property underlying the Project that is to be conveyed to the adjacent landowner.

1. Assignor hereby assigns to Assignee all of Assignor’s right, title and interest under the Purchase and Sale Agreement. Assignee assumes and agrees to perform and observe all of the obligations and covenants of Assignor in the Purchase and Sale Agreement to be performed on or after the date hereof.

2. The parties hereto agree that Exhibit A of the Purchase and Sale Agreement is deleted in its entirety and replaced with Exhibit A attached hereto.

3. Section 3. Section 3(C) of the Purchase and Sale Agreement is deleted in its entirety and replaced with the following:

“(C) Cash Payment at Closing. Buyer shall deposit into Escrow (as defined below) funds in an amount equal to NINE HUNDRED FIVE THOUSAND DOLLARS ($905,000). Buyer shall pay the balance of the Purchase Price to Seller in the form of a promissory note (the “Acquisition Note”) secured by a subordinated deed of trust in the form and on the terms set forth in that certain Acquisition Loan Agreement to be executed by Buyer and Seller, all substantially in the form attached to the DDA, as amended.”

4. Except as expressly modified hereby, all other terms and provisions of the Purchase and Sale Agreement shall remain in full force and effect, are incorporated herein by this reference and shall govern the conduct of the parties; provided, however, to the extent of any inconsistency between the provisions of the Purchase and Sale Agreement and the provisions of this Assignment, the provisions of this Assignment shall control.
This Assignment may be executed in counterparts, each of which for all purposes shall be deemed an original, and all of which when taken together shall constitute one and the same Assignment.
For purposes of this Assignment, electronic signatures (e.g., the transmission by any party of its signature on an original or any copy of this instrument via email or fax machine) shall be deemed to be originals.

ASSIGNOR:

Housing Authority of the City of Los Angeles, a public body, corporate and politic

By: ________________________
Douglas Guthrie  
President and Chief Executive Officer

ASSIGNEE:

HACLA PDS LLC, A California limited liability company

By: Housing Authority of the City of Los Angeles, a public body, corporate and politic  
Its sole member and manager

By: ________________________
Douglas Guthrie  
President and Chief Executive Officer

BUYER:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, Administrative General Partner

By: ________________________
Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, Managing General Partner

By: La Cienega LOMOD, Inc., a California nonprofit public benefit corporation, its Sole Member and Manager

By: ________________________
Tina Smith-Booth, President
Exhibit A

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS "LOT 1" ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION OF LAND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF UTAH STREET AND VIA LAS VEGAS, AS SHOWN ON SAID TRACT; THENCE, ALONG THE CENTERLINE OF SAID VIA LAS VEGAS, THE FOLLOWING TWO (2) COURSES: (1) NORTH 85°46'10" WEST 185.69 FEET; AND (2) NORTH 83°28'59" WEST 46.05 FEET TO THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8; THENCE NORTH 04°14'27" EAST, ALONG SAID PROLONGATION, 38.87 FEET TO THE SOUTHEASTERLY CORNER OF SAID LOT 8; THENCE NORTH 85°44'46" WEST, ALONG THE SOUTHERLY LINE OF SAID LOT 8, A DISTANCE OF 50.23 FEET; THENCE NORTH 04°22'16" EAST 25.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°22'16" EAST 1.97 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 27.21 FEET NORTHERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8; THENCE, ALONG SAID PARALLEL LINE, SOUTH 85°44'46" EAST 250.64 FEET TO A POINT IN THE EASTERLY BOUNDARY OF SAID LOT 6, SAID POINT BEING ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT BEARS NORTH 87°20'31" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°40'04" AN ARC DISTANCE OF 1.98 FEET TO A LINE THAT IS PARALLEL
WITH AND DISTANT 25.24 FEET NORTHERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8 AND PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE NORTH 85°44'46" WEST, ALONG SAID PARALLEL LINE, 250.87 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
AMENDMENT TO MIXED-FINANCE AMENDMENT TO CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT
(Aliso Village/Pueblo del Sol-Phase II)

This AMENDMENT TO MIXED-FINANCE AMENDMENT TO CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT (the "Amendment") is dated and issued as of the last date of execution below, by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the "Authority") and the UNITED STATES OF AMERICA, acting by and through the Secretary of the United States Department of Housing and Urban Development ("HUD").

A. Pursuant to the United States Housing Act of 1937, as amended (the "Housing Act"), any successor legislation, the Authority and HUD have entered into the Consolidated Annual Contributions Contract ("ACC") number SF-345, dated February 25, 2002, as Amendment Number 106. Thereafter, HUD and the Authority executed that certain Mixed-Finance Amendment to the ACC, with a HUD issuance date of October 1, 2002 (the "2002 ACC Amendment"), for purposes of financing and developing property then known as Aliso Village, Phase II, located in Los Angeles, California (the "Property").

B. The Authority requested HUD's approval to transfer all right, title, and interest in the leasehold interest in the Property and fee interest in the improvements on the Property (the "Project") from the Owner Entity (as defined in the 2002 ACC Amendment) to HACLA PDS LLC, a California limited liability company, whose sole member is the Authority (the "Interim Owner Entity"). Following the transfer of the Project to the Interim Owner Entity (the "Interim Transfer"), the Authority shall continue to own the land pursuant to the Ground Lease (as defined in that certain Declaration of Trust and Partial Release of Prior Declaration of Trust - Aliso Village Apartments – Phase II Rental recorded in the Official Records of the County of Los Angeles under Instrument Number 02-2407845, as amended by that certain First Amendment to Declaration of Trust and Partial Release of Prior Declaration of Trust for Aliso Village Apartments – Phase II Rental recorded on June 12, 2006 in the Official Records of the County of Los Angeles as Instrument No. 06-1281066). Following the Interim Transfer, the Interim Owner Entity intends to convert the Project under the Rental Assistance Demonstration ("RAD") program by transferring it to a new limited partnership, which transfer and conversion shall be subject to a separate HUD approval process under the RAD program.

C. HUD has authorized the Interim Transfer in accordance with that certain letter from Susan A. Wilson, Director of Office of Urban Revitalization at HUD, to Douglas Guthrie, President and Chief Executive Officer at the Authority, re Approval of Transfer of Ownership, Aliso Village Phase II, CA004000401, dated __________, 2021.

D. HUD and the Authority now desire to amend the 2002 ACC Amendment with this Amendment to, among other things, reflect the changes necessitated by and resulting from the Interim Transfer.
NOW, THEREFORE, in consideration of the mutual promises of the parties and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree that, for so long as the Interim Owner is the sole owner of the Project, the 2002 ACC Amendment is amended as follows:

1. **Exhibits to 2002 Amendment.** Exhibit A, Exhibit B, and Exhibit E to the 2002 ACC Amendment are amended by the corresponding Exhibit A-1, Exhibit B-1 and Exhibit E-1 attached hereto.

2. **Termination of Amendment.** This Amendment shall be valid only for such period of time as the Interim Owner Entity is the sole owner of the Property.

3. **Miscellaneous.** Except as provided herein, all other terms of the 2002 ACC Amendment remain in full force and effect. All references in the 2002 Amendment to 24 CFR 941 are amended to refer to 24 CFR 905 and all references to 24 CFR part 85 including 85.25 are amended to 2 CFR part 200. In the event of any conflict between the terms of this Amendment and the terms of the 2002 ACC Amendment, the terms of this Amendment shall control.

[Signatures on Following Page]
The Parties have executed this Amendment as of the dates set forth below.

**HOUSING AUTHORITY OF THE CITY OF LOS ANGELES,**
a public body, corporate and politic

By: ______________________________
    Douglas Guthrie
    President and Chief Executive Officer

Date: ______________________________

**UNITED STATES OF AMERICA, acting by and through the**
Secretary of the United States Department of Housing and Urban Development

By: _____________________________
    Meena Bavan,
    Its:       Director, Office of Public Housing

Date: _____________________________
Exhibit A-1

Participating Parties

The current owner of the Project, Aliso Village II Housing Partners, L.P. (the "Partnership") is a California limited partnership whose managing general partner is La Cienega LOMOD, Inc. ("LOMOD"), a nonprofit public benefit corporation and affiliate of the Housing Authority of the City of Los Angeles ("HACLA"). The administrative general partner of the Partnership is Related/Aliso II Development Co., LLC, a limited liability company and affiliate of The Related Companies of California, who will withdraw from the Partnership before the transfer to HACLA PDS LLC. HACLA is the owner of the fee interest in the land and ground lessor to the Partnership.

The Partnership will transfer the Project to the proposed interim owner, HACLA PDS LLC, a limited liability company whose sole member is HACLA. HACLA will continue to own the land and to serve as ground lessor.

Three (3) members of the Board of Commissioners of HACLA serve as the Board of Directors of LOMOD. The President and CEO of HACLA is Douglas Guthrie and the President of LOMOD is Tina Smith-Booth.

Housing Authority of the City of Los Angeles
President and CEO: Douglas Guthrie
Address: 2600 Wilshire Boulevard, 3rd Floor, Los Angeles, CA 90057
Phone: (213) 252-2680

Aliso Village II Housing Partners, L.P

La Cienega LOMOD, Inc., managing general partner
President: Tina Smith-Booth
Address: 2600 Wilshire Boulevard, 3rd Floor, Los Angeles, CA 90057
Phone: (213) 252-8844

Related/Aliso II Development, LLC, administrative general partner
Sole member: The Related Companies of California, LLC
President: William Witte
18201 Von Karman Avenue, Suite 900, Irvine, California 92612
Phone: (949) 660-7272

HACLA PDS LLC
Sole Member: Housing Authority of the City of Los Angeles
President and CEO: Douglas Guthrie
Address: 2600 Wilshire Boulevard, 3rd Floor, Los Angeles, CA 90057
Phone: (213) 252-2680
Exhibit B-1

Project Description

The Housing Authority of the City of Los Angeles (the "Authority") is the limited partner in Aliso Village II Housing Partners, L.P. (the "Transferor"). The Transferor has been the owner of a low-income rental housing project originally known as Aliso Village Phase II (now known as Pueblo del Sol Phase II), located in Los Angeles, California (the "Project"). The Authority remains the owner of the land on which the Project is located and continues to ground lease the land to Transferor (the "Ground Lease"). The Authority acquired the limited partner interest in Transferor in November 2019, after the end of the low-income housing tax credit compliance period.

The Project is the subject of a HUD Mixed-Finance Approval Letter issued in October 2002 (the "Approval Letter"), and that certain Mixed-Finance Amendment to the Annual Contributions Contract dated October 1, 2002 (the "2002 ACC Amendment"). The Project is also encumbered by a certain Declaration of Trust and Partial Release of Prior Declaration of Trust recorded on October 11, 2002 in the Official Records of the County of Los Angeles under Instrument No. 02-2407845, as amended by that First Amendment to Declaration of Trust and Partial Release of Prior Declaration of Trust recorded on June 12, 2006 in the Official Records of the County of Los Angeles under Instrument No. 06-1281066 (the "DOT") as well as that certain Regulatory and Operating Agreement dated as of October 1, 2002, as amended by that certain amendment dated December 22, 2005, and further amended by that certain amendment dated January 1, 2006 (the "R&O").

The Transferor will be transferring the Project to the HACLA PDS LLC, a limited liability company having the Authority as the sole member ("HACLA LLC") as a "distribution of assets" under the limited partnership agreement, for no consideration. This "interim transfer" (the "Interim Transfer") is occurring so that the Authority will be the seller of the Project in a planned subsequent sale to a new limited partnership and thereby realize certain tax and other benefits. HACLA LLC shall continue to be subject to the DOT, the R&O, the Ground Lease and the 2002 ACC Amendment (as amended by this Amendment.) The foregoing documents and the existing financing documents will be transferred to HACLA LLC under the Assignment, Assumption and/or Amendment agreements listed on Exhibit E-1.

Immediately before the Interim Transfer, the current administrative general partner, an affiliate of the for-profit Related Companies of California, will withdraw from the Transferor to ensure that the Project qualifies for an exception to the "10-year hold" requirement under acquisition tax credit rules applicable to nonprofits and public agencies. Therefore, at the Interim Transfer, the Transferor will be made up of La Cienega LOMOD, Inc., a nonprofit public benefit corporation, as managing general partner, and HACLA, a public agency, as limited partner.

The transfer will not involve any new financing and the Project's management company (McCormack Baron Management) will not change as a result of the transfer. Project reserves
will be transferred to HACLA LLC. After the Project has been transferred to HACLA LLC for a short period, HACLA intends to complete a conversion of the Project under the Rental Assistance Demonstration program.

In conjunction with the Interim Transfer, the existing Ground Lease will be amended to clarify the treatment of the improvements upon the termination of the Ground Lease at the RAD conversion.

The legal description of the Project site included on the attached assignment agreements will remain unchanged from the current legal description for the Project. However, at the RAD closing, pursuant to a HUD disposition approval dated March 11, 2021 the legal description of the Project site will change very slightly to exclude a narrow piece of land that will be conveyed to the adjoining landowner, the Los Angeles Unified School District, in a land exchange to follow the RAD closing.
Exhibit E-1

Evidentiary Materials

1. Assignment and Assumption of Declaration of Trust and Partial Release of Prior Declaration of Trust

2. Assignment and Assumption of Regulatory and Operating Agreement

3. Assignment, Assumption and Amendment of Ground Lease and Memorandum of Lease

4. Assignment and Assumption of AFR Loan Documents

5. Assignment and Assumption of Zero Interest Loan Documents
ASSIGNMENT AND ASSUMPTION OF LEASES AND RENTS, SERVICE CONTRACTS AND INTANGIBLES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND RENTS, SERVICE CONTRACTS AND INTANGIBLES (this "Agreement") is made and entered into as of __________, 2021, by and between ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership (the "Partnership") ("Assignor"), HACLA PDS LLC, a California limited liability company ("Assignee"), and McCormack Baron Management Services, Inc., a Missouri corporation ("Manager").

RECITALS:

This Agreement is made with reference to the following facts:

A. Concurrently herewith, Assignor is conveying to Assignee all of its right title and interest in and to that certain 176-unit apartment development (the "Apartment Development") commonly known as "Pueblo del Sol – Phase II," located in the City of Los Angeles, County of Los Angeles, State of California and a leasehold estate in and to the real property and fee title to all buildings, structures, parking areas, sidewalks, landscaping and other improvements comprising the Apartment Development (the "Property").

B. Assignor desires to assign to Assignee and Assignee wishes to accept and assume all of Assignor's right, title and interest in and to (i) all leases and rental agreements with tenants of the Property (the "Leases"), together with all rents, issues and profits arising from the Leases, and all unapplied security and other deposits, if any, paid by such tenants to Assignor and all accrued interest thereon, to the extent interest is required to be paid to such tenants; (ii) those certain service contracts with respect to the Property (the "Service Contracts"); and (iii) certain other rights and obligations as set forth below.

C. WHEREAS, Manager is willing, by execution below, to consent to such assignment and assumption as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Leases. Assignor hereby sells, transfers, assigns, conveys and delivers unto Assignee, its successors and assigns, all of Assignor's right, title, and interest in, to and under the Leases. In addition, Assignor does hereby assign unto Assignee (subject to any proration agreements existing between Assignor and Assignee in accordance with the Agreement, as hereinafter defined) all rents, issues and profits arising from the Leases and all of its right, title, and interest in, to and with respect to any and all security deposits and other deposits which Assignor is holding in connection with the Leases.
Assignee hereby accepts the assignment of the Leases and agrees to assume the obligations required of the landlord under each such Lease accruing and arising from and after the date hereof and to indemnify and hold Assignor harmless from and against any and all fees, charges, expenses, liabilities, claims and costs, including but not limited to reasonable attorneys' fees, suffered or incurred by Assignor on account of Assignee's failure to assume and perform the obligations required of the landlord under the Leases accruing and arising from and after the date hereof.

2. **Service Contracts.** Assignor hereby sells, transfers, assigns, conveys and delivers unto Assignee, its successors and assigns, all of Assignor's right, title, and interest in, to and under the Service Contracts. Assignee hereby accepts the assignment of the Service Contracts and agrees to assume the obligations required of owner under each such Service Contract accruing and arising from and after the date hereof, and to indemnify and hold Assignor harmless from and against any and all fees, charges, expenses, liabilities, claims and costs, including but not limited to reasonable attorneys' fees, suffered or incurred by Assignor on account of Assignee's failure to assume and perform the obligations required of the owner under the Service Contracts accruing and arising from and after the date hereof.

3. **Indemnification.** Assignor agrees to indemnify and hold Assignee harmless from and against any and all fees, charges, expenses, liabilities, claims and costs, including but not limited to reasonable attorneys' fees, suffered or incurred by Assignee on account of Assignor's failure to perform (i) the obligations required of the landlord under the Leases arising and accruing prior to the date hereof, and/or (ii) the obligations required of the owner under the Service Contracts arising and accruing prior to the date hereof.

4. **Additional Rights.** Assignor hereby assigns to Assignee all of Assignor's right, title and interest (if any) in and to all (i) all certificates of occupancy, if any, licenses, permits, and approvals, (ii) all telephone numbers now serving the Apartment Development, (iii) all warranties and guarantees, (iv) the names "Aliso Village" and/or "Pueblo del Sol", and (v) all bonds, claims and rights running to or assigned to Assignor in connection with the construction maintenance, operation or repair of the Property.

5. **Further Assurances.** The parties hereto agree to execute such further documents and agreements as may be reasonably necessary or appropriate to effectuate the purposes of this Agreement.

6. **Miscellaneous.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives. This Agreement may be executed in counterparts, each of which for all purposes shall be deemed an original, and all of which when taken together shall constitute one and the same Agreement.
7. **Consent.** Manager consents to the assignment by Assignor, and the acceptance and assumption by Assignee, of such rights, title, interest, and obligations as provided in this Agreement.

[SIGNATURES ON NEXT PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ASSIGNOR:

ALISO VILLAGE II HOUSING II PARTNERS, L.P., a California limited partnership

By: LA CIENEGA LOMOD, INC.,
a California nonprofit public benefit corporation,
its managing general partner

By: _______________________________
    Tina Smith-Booth, President

[remainder of page intentionally left blank]
ASSIGNEE:

HACLA PDS LLC, A California limited liability company

By: Housing Authority of the City of Los Angeles,
a public body, corporate and politic,
its sole member

By: _____________________________
Douglas Guthrie
President and Chief Executive Officer

CONSENTING:

McCormack Baron Management Services, Inc.,
a Missouri corporation

By: ________________________________
Michael Martinez, Vice President
ASSIGNMENT, ASSUMPTION, AND AMENDMENT OF GROUND LEASE AND MEMORANDUM OF LEASE

THIS ASSIGNMENT, ASSUMPTION, AND AMENDMENT OF GROUND LEASE AND MEMORANDUM OF LEASE (this "Agreement") is made as of May 1, 2021 by and between ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership ("Assignor"), HACLA PDS LLC, a California limited liability company ("Assignee"), and the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic ("HACLA") with reference to the following facts:

RECITALS

A. WHEREAS, HACLA is the fee owner of that certain real property located at 1300 Plaza del Sol, city of Los Angeles, County of Los Angeles, state of California (the "property"), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, to facilitate the purchase, development and operation of the apartments located upon the Property (collectively, the "Project"), HACLA and Assignor entered into that certain Ground Lease Agreement dated as of October 1, 2002, as amended (the "Ground Lease"), a memorandum of which was recorded in the Official Records of the County of Los Angeles on October 11, 2002 as Instrument No. 02-2407844, as amended in that first amendment recorded in the Official Records on June 12, 2006 as Instrument No.06-1281067 (collectively with the Ground Lease, the "Ground Lease Documents");

C. WHEREAS, the Ground Lease commencement date is October 1, 2002, and the Ground Lease termination date is September 30, 2067.

D. WHEREAS, in connection with the transfer of the Project from the Assignor to the Assignee, the Assignor desires to assign to the Assignee all of the rights, duties, and obligations of the Assignor under the Ground Lease Documents relating to the period from and after the date of recordation of this Agreement (the "Effective Date");

THE UNDERSIGNED GRANTOR(S) DECLARE(S):
Documentary Transfer Tax is $0; City Transfer Tax is $0
(Exempt from transfer tax under Revenue and Taxation Code Section 11922)
E. WHEREAS, the Assignee wishes to assume such rights, duties, and obligations; and

F. WHEREAS, HACLA is willing, by execution below, to consent to such assignment, assumption, and amendment as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Recitals and Definitions. The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Ground Lease Documents.

2. Title to Improvements. The following clause is added to the end of the first sentence of Section 3.4(b) of the Ground Lease: "provided however, that notwithstanding anything to the contrary in this Agreement, in order to facilitate the conversion of the Project under the Rental Assistance Demonstration Program administered by the U.S. Department of Housing and Urban Development (the "RAD Conversion"), Lessee shall retain title to the Improvements upon the termination of this Lease for the sole purpose of conveying the Improvements to Pueblo del Sol II Housing Partners, L.P., a California limited partnership, on or immediately before the RAD Conversion, and provided further, that if the RAD Conversion shall not occur, the Improvements shall revert to Lessor upon the expiration or termination of this Lease as stated above."

3. Assignment and Assumption. The Assignor hereby assigns to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor's rights, title, interest and obligations under the Ground Lease Documents arising from and after the Effective Date, which rights and obligations are more particularly described in the Ground Lease Documents. Without limiting the foregoing, Assignee hereby agrees to perform all of the obligations under the Ground Lease Documents that relate to the Project arising from and after the Effective Date. HACLA consents to the assignment by Assignor, and the assumption by Assignee, of such rights, title, interest, and obligations.

4. Release of Liability. The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the Ground Lease Documents on and after the Effective Date but shall remain liable in accordance with the terms of the Ground Lease Documents for any obligation accruing prior to the Effective Date.

5. Notice. All correspondence and notices given or required to be given to the Assignor under the Ground Lease Documents, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

Assignee: HACLA PDS LLC
c/o Housing Authority of the City of Los Angeles
6. **Successors and Assigns.** This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

7. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

*Signature page follows*
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ASSIGNOR:

ALISO VILLAGE II HOUSING PARTNERS, L.P.,
a California limited partnership

By: LA CIENEGA LOMOD, INC.,
a California nonprofit public benefit corporation,
its managing general partner

By: __________________________
    Tina Smith-Booth, President

ASSIGNEE:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic,
its sole member and manager

By: __________________________
    Douglas Guthrie
    President and Chief Executive Officer

[Signatures must be notarized; signature page continues]
CONSENTED TO BY:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: ___________________________
Douglas Guthrie
President and Chief Executive Officer
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
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State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A

Legal Description

The land referred to herein is situated in the City of Los Angeles, in the County of Los Angeles, State of California and is described as follows:

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION
RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
ASSIGNMENT AND ASSUMPTION OF DECLARATION OF TRUST
(Aliso Village Phase II)

This ASSIGNMENT AND ASSUMPTION OF DECLARATION OF TRUST (this "Agreement") is dated as of May 1, 2021 and is entered into by and among the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic organized and existing under the laws of the State of California ("Authority"), ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership (the "Prior Owner") HACLA PDS LLC, a California limited liability company (the "Owner"), and the UNITED STATES OF AMERICA, acting by and through the SECRETARY OF HOUSING AND URBAN DEVELOPMENT (the "Secretary"). The Authority, the Prior Owner, the Owner, and the Secretary shall collectively be referred to herein as "Parties."

RECITALS

A. The Authority is the fee owner of that certain real property more particularly described in the attached Exhibit A (the "Property").

B. The Authority, the Prior Owner, and the Secretary entered into that certain Declaration of Trust and Partial Release of Prior Declaration of Trust dated as of October 1, 2002 as recorded in the Official Records of the County of Los Angeles (the "Official Records") on October 11, 2002 as Instrument No. 02-2407845 (the "2002 Declaration and Release").

C. The Prior Owner owns a fee interest in the improvements on the Property (the "Prior Owner's Interest"). Concurrently with the recording of this Agreement in the Official Records, the Prior Owner will convey the Prior Owner's Interest to the Owner and will assign the 2002 Declaration and Release to the Owner.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements hereinafter set forth, and other consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:
1. **Recitals.** The Recitals set forth above are hereby incorporated into this Agreement by the Parties as if fully and completely rewritten below.

2. **Effective Date.** The Parties agree that this Agreement shall be effective upon the recording of this Agreement in the Official Records (the "Effective Date").

3. **Assignment and Assumption of the 2002 Declaration and Release.**
   
   (a) **Assignment.** The Prior Owner, the Secretary, and the Authority hereby assign the liabilities, duties and obligations contained in the 2002 Declaration and Release from the Prior Owner to the Owner and its successors and assigns, subject to the terms set forth herein. The Prior Owner shall remain responsible for all liabilities, duties and obligations under the 2002 Declaration and Release prior to the Effective Date.

   (b) **Assumption.** The Owner hereby assumes all of the duties, obligations and restrictions set forth in the 2002 Declaration and Release and shall be responsible for all liabilities or obligations arising under the 2002 Declaration and Release from and after the Effective Date.

4. **Consent by Secretary.** The Secretary consents to the terms of this Agreement.

5. **Full Force and Effect.** Except as assigned by this Agreement, the 2002 Declaration and Release remains in full force.

6. **Modification.** No provision of the 2002 Declaration and Release may be changed, discharged, supplemented, terminated, or waived except in a written document signed by the Owner, the Authority and the Secretary.

7. **Binding Effect.** The 2002 Declaration and Release shall be binding upon, and inure to the benefit of, the Owner, the Authority and the Secretary and their respective successors and assigns.

8. **Counterparts.** This Agreement may be executed in any number of counterparts, which taken together will be deemed to be one and the same instrument.

*SIGNATURES ON FOLLOWING PAGE*
IN WITNESS WHEREOF, the Authority, the Prior Owner, the Owner, and the Secretary have duly executed this Agreement as of the day and year first above written.

AUTHORITY: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: ___________________________
Douglas Guthrie
President and Chief Executive Officer

Signatures Continue on Next Page
PRIOR OWNER:  
ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership

By: LA CIENEGA LOMOD, INC., a California nonprofit public benefit corporation, its managing general partner

By: ____________________________  
Tina Smith-Booth, President

OWNER:  
HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, its sole member and manager

By: ____________________________  
Douglas Guthrie  
President and Chief Executive Officer

Signatures Continue on Next Page
SECRETARY: U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By: ________________________________

Meena Bavan,
Director, Office of Public Housing
STATE OF CALIFORNIA

COUNTY OF __________________

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

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

WITNESS my hand and official seal.

____________________________________
Name:   ______________________________

Notary Public
STATE OF CALIFORNIA )
 )
COUNTY OF ________________ )

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

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

WITNESS my hand and official seal.

____________________________________
Name:   ______________________________

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

STATE OF CALIFORNIA )
COUNTY OF __________________ )

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

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

WITNESS my hand and official seal.

____________________________________
Name:   ______________________________

Notary Public
STATE OF CALIFORNIA  

COUNTY OF __________________ )

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

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

WITNESS my hand and official seal.

____________________________________
Name:   ______________________________

Notary Public
EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein is situated in the City of Los Angeles, in the County of Los Angeles, State of California, and is described as follows:

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41’49” WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24’45” WEST 93.26 FEET; THENCE NORTH 85°40’52” WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19’08” EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19’08” EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35’38” EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38’02”; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40’52” WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
ASSIGNMENT AND ASSUMPTION OF REGULATORY AND OPERATING AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF REGULATORY AND OPERATING AGREEMENT (this "Agreement") is made as of May 1, 2021, by and between ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership ("Assignor"), HACLA PDS LLC, a California limited liability company ("Assignee"), and the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic ("HACLA") with reference to the following facts:

RECITALS

A. WHEREAS, HACLA is the fee owner of that certain real property located at 1300 Plaza Del Sol E, City of Los Angeles, County of Los Angeles, State of California (the "Property"), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, to facilitate the purchase, development and operation of the apartments located upon the Property (collectively, the "Project"), HACLA and Assignor entered into that certain Regulatory and Operating Agreement dated as of October 1, 2002 and recorded in the Official Records of the County of Los Angeles (the "Official Records") on October 11, 2002 as Instrument No. 02-2407846, as amended by that certain First Amendment dated as of December 22, 2005, and recorded in the Official Records on June 12, 2006 as Instrument No. 06-121070, as further amended by that certain Amendment dated as of January 1, 2006, and recorded in the Official Records on February 5, 2007 as Instrument No. 20070251953 (the "Regulatory Agreement");

C. WHEREAS, in connection with the transfer of the Project from the Assignor to the Assignee, the Assignor desires to assign to the Assignee all of the rights, duties, and obligations of the Assignor under the Regulatory Agreement relating to the period from and after the date of recordation of this Agreement (the "Effective Date");

D. WHEREAS, the Assignee wishes to assume such rights, duties, and obligations; and

E. WHEREAS, HACLA is willing, by execution below, to consent to such assignment and assumption as set forth herein.
NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. **Recitals and Definitions.** The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Regulatory Agreement.

2. **Assignment and Assumption.** The Assignor hereby assigns to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor's rights, title, interest and obligations under the Regulatory Agreement arising from and after the Effective Date, which rights and obligations are more particularly described in the Regulatory Agreement. Without limiting the foregoing, Assignee hereby agrees to perform all of the obligations under the Regulatory Agreement that relate to the Project arising from and after the Effective Date. HACLA consents to the assignment by Assignor, and the acceptance and assumption by Assignee, of such rights, title, interest, and obligations.

3. **Release of Liability.** The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the Regulatory Agreement on and after the Effective Date but shall remain liable in accordance with the terms of the Regulatory Agreement for any obligation accruing prior to the Effective Date.

4. **Notice.** All correspondence and notices given or required to be given to the Assignor under the Regulatory Agreement, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

   Assignee: HACLA PDS LLC
c/o Housing Authority of the
City of Los Angeles
2600 Wilshire Blvd., Third Floor
Los Angeles, CA 90057
Attention: President and CEO

5. **Successors and Assigns.** This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

6. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

[Signature page follows]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year written above.

ASSIGNOR:

ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership

By: LA CIENEGA LOMOD, INC., a California nonprofit public benefit corporation, its managing general partner

By: __________________________
    Tina Smith-Booth, President

ASSIGNEE:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, its sole member and manager

By: __________________________
    Douglas Guthrie
    President and Chief Executive Officer

HACLA:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: __________________________
    Douglas Guthrie
    President and Chief Executive Officer

[Signatures must be notarized]

S-1
ASSIGNMENT AND ASSUMPTION OF REGULATORY AND OPERATING AGREEMENT
(Pueblo del Sol Phase II)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A

Legal Description

The land referred to herein is situated in the City of Los Angeles, in the County of Los Angeles, State of California, and is described as follows:

PARCEL 1:

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BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
ASSIGNMENT AND ASSUMPTION OF AFR LOAN DOCUMENTS

THIS ASSIGNMENT AND ASSUMPTION OF AFR LOAN DOCUMENTS (this "Agreement") is made as of May 1, 2021 by and between ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership ("Assignor"), HACLA PDS LLC, a California limited liability company ("Assignee"), and the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic ("HACLA") with reference to the following facts:

RECITALS

A. WHEREAS, HACLA is the fee owner of that certain real property located at 1300 Plaza Del Sol E, City of Los Angeles, County of Los Angeles, State of California (the "Property"), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, to facilitate the purchase, development and operation of the apartments located upon the Property (collectively, the "Project"); HACLA made a loan to Assignor pursuant to the terms of that certain AFR Loan Agreement dated as of October 1, 2002, by and between HACLA and Assignor, which loan was evidenced by that certain AFR Promissory Note in the original principal amount of Five Million Five Hundred Seventy-Five Thousand Dollars ($5,575,000) dated as of October 1, 2002 which promissory note is secured by that certain AFR Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of October 1, 2002, and recorded in the Official Records of the County of Los Angeles on October 11, 2002 as Instrument No. 02-2407847 as amended by that certain First Amendment to AFR Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of December 22, 2005, and recorded in the Official Records on June 12, 2006 as Instrument No. 06-1281068 (the "AFR Deed of Trust") (collectively, the "AFR Loan Documents").

C. WHEREAS, in connection with the transfer of the Project from the Assignor to the Assignee, the Assignor desires to assign to the Assignee all of the rights, duties, and obligations of the Assignor under the AFR Loan Documents relating to the period from and after the date of recordation of this Agreement (the "Effective Date");

D. WHEREAS, the Assignee wishes to assume such rights, duties, and obligations; and

E. WHEREAS, HACLA is willing, by execution below, to consent to such assignment and assumption as set forth herein.
NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Recitals and Definitions. The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the AFR Loan Documents.

2. Assignment and Assumption. The Assignor hereby assigns to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor's rights, title, interest and obligations under the AFR Loan Documents arising from and after the Effective Date, which rights and obligations are more particularly described in the AFR Loan Documents. Without limiting the foregoing, Assignee hereby agrees to perform all of the obligations under the AFR Loan Documents that relate to the Project arising from and after the Effective Date. HACLA consents to the assignment by Assignor, and the acceptance and assumption by Assignee, of such rights, title, interest, and obligations.

3. Release of Liability. The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the AFR Loan Documents on and after the Effective Date but shall remain liable in accordance with the terms of the AFR Loan Documents for any obligation accruing prior to the Effective Date.

4. Notice. All correspondence and notices given or required to be given to the Assignor under the AFR Loan Documents, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

Assignee: HACLA PDS LLC  
c/o Housing Authority of the  
City of Los Angeles  
2600 Wilshire Blvd., Third Floor  
Los Angeles, CA 90057  
Attention: President and CEO

5. Successors and Assigns. This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

6. Counterparts. This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

[Signature page follows]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ASSIGNOR:

ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership

By: LA CIENEGA LOMOD, INC.,
a California nonprofit public benefit corporation,
its managing general partner

By: ___________________________
Tina Smith-Booth, President

ASSIGNEE:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic,
its sole member and manager

By: ___________________________
Douglas Guthrie
President and Chief Executive Officer

CONSENTED TO BY:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic,

By: ___________________________
Douglas Guthrie
President and Chief Executive Officer

[Signatures must be notarized]
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A

Legal Description

The land referred to herein is situated in the City of Los Angeles, in the County of Los Angeles, State of California, and is described as follows:

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
ASSIGNMENT AND ASSUMPTION OF ZERO INTEREST LOAN DOCUMENTS

THIS ASSIGNMENT AND ASSUMPTION OF ZERO INTEREST LOAN DOCUMENTS (this "Agreement") is made as of May 1, 2021, by and between ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership ("Assignor"), HACLA PDS LLC, a California limited liability company ("Assignee"), and HOUSING PROMISE CORPORATION, a California nonprofit public benefit corporation formerly known as Aliso Village Housing Corporation ("HPC"), with reference to the following facts:

RECITALS

A. WHEREAS, the Housing Authority of the City of Los Angeles, a public body, corporate and politic ("HACLA") is the fee owner of that certain real property located at 1300 Plaza Del Sol E, City of Los Angeles, County of Los Angeles, State of California (the "Property"), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, to facilitate the purchase, development and operation of the apartments located upon the Property (collectively, the "Project"), HACLA made a loan to Assignor pursuant to the terms of that certain Zero Interest Loan Agreement dated as of October 1, 2002, by and between HPC and Assignor, which loan was evidenced by that certain Zero Interest Promissory Note in the original principal amount of Five Million Six Hundred Thousand Dollars ($5,600,000) dated as of October 1, 2002, which promissory note is secured by that certain Zero Interest Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of October 1, 2002, and recorded in the Official Records of the County of Los Angeles (the "Official Records") on October 11, 2002 as Instrument No. 02-2407848, as amended by that certain First Amendment to Zero Interest Leasehold Deed of Trust, Assignment of Rents and Security Agreement dated as of December 22, 2005, and recorded in the Official Records on June 12, 2006 as Instrument No. 06-1281069 (the "Zero Interest Deed of Trust") (collectively, the "Zero Interest Loan Documents");

C. WHEREAS, in connection with the transfer of the Project from the Assignor to the Assignee, the Assignor desires to assign to the Assignee all of the rights, duties, and obligations of the Assignor under the Zero Interest Loan Documents relating to the period from and after the date of recordation of this Agreement (the "Effective Date");
D. WHEREAS, the Assignee wishes to assume such rights, duties, and obligations; and

E. WHEREAS, HPC is willing, by execution below, to consent to such assignment and assumption as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**AGREEMENT**

1. **Recitals and Definitions.** The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Zero Interest Loan Documents.

2. **Assignment and Assumption.** The Assignor hereby assigns to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor's rights, title, interest and obligations under the Zero Interest Loan Documents arising from and after the Effective Date, which rights and obligations are more particularly described in the Zero Interest Loan Documents. Without limiting the foregoing, Assignee hereby agrees to perform all of the obligations under the Zero Interest Loan Documents that relate to the Project arising from and after the Effective Date. HPC consents to the assignment by Assignor, and the acceptance and assumption by Assignee, of such rights, title, interest, and obligations.

3. **Release of Liability.** The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the Zero Interest Loan Documents on and after the Effective Date but shall remain liable in accordance with the terms of the Zero Interest Loan Documents for any obligation accruing prior to the Effective Date.

4. **Notice.** All correspondence and notices given or required to be given to the Assignor under the Zero Interest Loan Documents, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

   **Assignee:**  
   HACLA PDS LLC  
   c/o Housing Authority of the  
   City of Los Angeles  
   2600 Wilshire Blvd., Third Floor  
   Los Angeles, CA 90057  
   Attention: President and CEO

5. **Successors and Assigns.** This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

6. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

*Signature page follows*
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ASSIGNOR:

ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership

By: LA CIENEGA LOMOD, INC.,
a California nonprofit public benefit corporation,
its managing general partner

By: ______________________________
Tina Smith-Booth, President

ASSIGNEE:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic,
its sole member and manager

By: ______________________________
Douglas Guthrie
President and Chief Executive Officer

CONSENTED TO BY:

HOUSING PROMISE CORPORATION (formerly known as Aliso Village Housing Corporation), a California nonprofit public benefit corporation

By: ______________________________
Tina Smith-Booth, President

[Signatures must be notarized]
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of ____________________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A

Legal Description

The land referred to herein is situated in the City of Los Angeles, in the County of Los Angeles, State of California, and is described as follows:

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENT

(TCAC #CA-2002-041)

THIS ASSIGNMENT AND ASSUMPTION OF REGULATORY AGREEMENT (this “Agreement”) is made as of _____________ 2021 (the “Effective Date”), by and between ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership (“Assignor”) and HACLA PDS LLC, a California limited liability company (“Assignee”) and the California Tax Credit Allocation Committee (“TCAC”), with reference to the following facts:

RECITALS

A. WHEREAS, the Assignor is the owner of a leasehold interest in that certain real property located at 1300 Plaza Del Sol E Street, City of Los Angeles, County of Los Angeles, State of California (the “Property”), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, to facilitate the purchase, development and operation of the apartments located upon the Property (collectively, the “Project”), the Assignor received an allocation of low income housing tax credits from the TCAC (the “Tax Credits”);

C. WHEREAS, as a condition to the Tax Credits, the Assignor entered into that certain Regulatory Agreement dated as of July 22, 2002 (TCAC #CA-2002-041) and recorded on May 6, 2005, in the office of the County Recorder of Los Angeles County, California (the “Official Records”) as Instrument No. 05-1068312, of Official Records, as modified by that certain Amendment to Regulatory Agreement, dated July 22, 2023 recorded in the Official Records on June 12, 2006 as Instrument No. 06-1281073 (as amended, the “Regulatory Agreement”);

D. WHEREAS, the Assignor desires to distribute and transfer to the Assignee, the Assignor’s entire ownership interest in the Project, which distribution, conveyance and transfer requires the assumption by the Assignee of the rights, duties, and obligations of the Assignor under the Regulatory Agreement relating to the period from and after the Effective Date;

E. WHEREAS, the Assignee wishes to assume such obligations under the Regulatory Agreement; and

F. WHEREAS, the TCAC, in accordance with the Regulatory Agreement, is willing, by execution below, to consent to (i) the distribution and transfer of the Project to the Assignee
and (ii) the Assignee’s assumption of all obligations of the Assignor under the Regulatory Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. **Recitals and Definitions.** The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Regulatory Agreement.

2. **Assignment, Assumption and Consent.** The Assignor hereby assigns and delegates to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor’s rights, title, interest and obligations under the Regulatory Agreement arising from and after the Effective Date, which rights and obligations are more particularly described in the Regulatory Agreement. Without limiting the foregoing, Assignee hereby agrees, for the benefit of Assignor and the TCAC, to perform all of the obligations under the Regulatory Agreement that relate to the Project arising from and after the Effective Date. TCAC consents to the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of such rights and obligations.

3. **Release.** The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the Regulatory Agreement on and after the Effective Date but shall remain liable in accordance with the terms of the Regulatory Agreement for any obligation accruing prior to the Effective Date. The parties hereto acknowledge and agree that the TCAC does not hereby waive any of the provisions of the Regulatory Agreement and all of the terms, conditions, and provisions of the Regulatory Agreement shall remain in full force and effect.

4. **No Defaults.** The TCAC acknowledges and agrees that (i) there have been no defaults under the Regulatory Agreement and (iii) no event has occurred which, with the passage of time, the giving of notice or both, would constitute a default under the Regulatory Agreement or would entitle the TCAC to revoke any of the rights granted to the Assignor under the Regulatory Agreement.

5. **Notice.** All correspondence and notices given or required to be given to the Assignor under the Regulatory Agreement, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

Assignee: The Housing Authority of the City of Los Angeles
2600 Wilshire Blvd., Third Floor
Los Angeles, CA 90057
Attention: Becky Churchill Clark, Esq., Senior Staff Attorney
6. **Successors and Assigns.** This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

7. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

*[Signature page follows]*
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

ASSIGNOR:

Aliso Village II Housing Partners, L.P., a California limited partnership

By: La Cienega LOMOD, Inc., a California nonprofit public benefit corporation,
    Its Managing General Partner

By: ____________________________
    Tina Smith-Booth
    President
ASSIGNEE:

HACLA PDS LLC, A California limited liability company

By: Housing Authority of the City of Los Angeles, a public body, corporate and politic, its sole member and manager

By: _____________________________
Douglas Guthrie
President and Chief Executive Officer

[signatures continue on next page]
TCAC:
CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

By: ___________________________
Anthony Zeto
Deputy Director
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A

Legal Description

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS "LOT 1" ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
ASSIGNMENT AND ASSUMPTION OF EASEMENT AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION OF EASEMENT AGREEMENT (this “Agreement”) is made as of _____________ 2021 (the “Effective Date”), by and between ALISO VILLAGE II HOUSING PARTNERS, L.P., a California limited partnership (“Assignor”) and HACLA PDS LLC, a California limited liability company (“Assignee”) and the SUNWHEEL QALICB I LLC (“Sunwheel”), with reference to the following facts:

RECITALS

A. WHEREAS, the Assignor is the owner of a leasehold interest in that certain real property located at 1300 Plaza Del Sol E Street, City of Los Angeles, County of Los Angeles, State of California (the “Property”), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, Assignor and Sunwheel entered into that certain Easement Agreement Regarding Solar Panels recorded on May 6, 2005, in the office of the County Recorder of Los Angeles County, California (the “Official Records”) as Instrument No. 20122029377 of Official Records (the “Easement Agreement”);

C. WHEREAS, the Assignor desires to distribute and transfer to the Assignee, the Assignor’s entire interest in the Property, which distribution, conveyance and transfer requires the assumption by the Assignee of the rights, duties, and obligations of the Assignor under the Easement Agreement relating to the period from and after the Effective Date;

D. WHEREAS, the Assignee wishes to assume such obligations under the Easement Agreement; and

E. WHEREAS, the Sunwheel, in accordance with the Easement Agreement, is willing, by execution below, to consent to (i) the distribution and transfer of the Property to the Assignee and (ii) the Assignee’s assumption of all obligations of the Assignor under the Easement Agreement as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:
AGREEMENT

1. **Recitals and Definitions.** The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Easement Agreement.

2. **Assignment, Assumption and Consent.** The Assignor hereby assigns and delegates to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor’s rights, title, interest and obligations under the Easement Agreement arising from and after the Effective Date, which rights and obligations are more particularly described in the Easement Agreement. Sunwheel consents to the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of such rights and obligations.

3. **Release.** The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the Easement Agreement on and after the Effective Date but shall remain liable in accordance with the terms of the Easement Agreement for any obligation accruing prior to the Effective Date.

4. **No Defaults.** Sunwheel acknowledges and agrees that (i) there have been no defaults under the Easement Agreement and (iii) no event has occurred which, with the passage of time, the giving of notice or both, would constitute a default under the Easement Agreement or would entitle the Sunwheel to revoke any of the rights granted to the Assignor under the Easement Agreement.

5. **Notice.** All correspondence and notices given or required to be given to the Assignor under the Easement Agreement, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

   **Assignee:**
   The Housing Authority of the City of Los Angeles
   2600 Wilshire Blvd., Third Floor
   Los Angeles, CA 90057
   Attention: Becky Churchill Clark, Esq., Senior Staff Attorney

6. **Successors and Assigns.** This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

7. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

   *[Signature page follows]*
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written above.

ASSIGNOR:

Aliso Village II Housing Partners, L.P., a California limited partnership

By: La Cienega LOMOD, Inc.,
a California nonprofit public benefit corporation,
Its Managing General Partner

By: ____________________________
Tina Smith-Booth
President
ASSIGNEE:

HACLA PDS LLC, A California limited liability company

By: Housing Authority of the City of Los Angeles, a public body, corporate and politic, its sole member and manager

By: _____________________________

Douglas Guthrie
President and Chief Executive Officer

[signatures continue on next page]
Sunwheel:

SUNWHEEL QALICB I LLC,
A Missouri limited liability company

By: Sunwheel Energy Partners Corp.,
A Missouri corporation, its Managing Member

By: _________________________
Name: _________________________
Its: _________________________

[end of signature]
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A

Legal Description

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
ASSIGNMENT, ASSUMPTION AND AMENDMENT OF REGULATORY AGREEMENT

(TCAC #CA-2002-041)

THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT OF REGULATORY AGREEMENT (“Assignment”), made as of ________________, 2021, by and between HACLA PDS LLC, a California limited liability company (“Assignor”), PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership (“Assignee”), and the CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE (the “TCAC”).

RECITALS

A. WHEREAS, the Assignor is the owner of a leasehold interest in that real certain property known as 1300 Plaza Del Sol E Street, City of Los Angeles, County of Los Angeles, State of California (the “Property”), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, to facilitate to purchase, construction, development and operation of the apartments known as Aliso Village Apartments – Phase II and located upon the Property (the “Project”), Aliso Village II Housing Partners, L.P., a California limited partnership (the “Original Owner”) received an allocation of low income housing tax credits from TCAC (the “Tax Credits”);

C. WHEREAS, as a condition to the Tax Credits, the Original Owner entered into a certain Regulatory Agreement dated as of July 22, 2002 (TCAC #CA-2002-041) and recorded on May 6, 2005, in the office of the County Recorder of Los Angeles County, California (the “Official Records”) as Instrument No. 05-1068312, of Official Records, as modified by that certain Amendment to Regulatory Agreement, dated July 22, 2023 recorded in the Official Records on June 12, 2006 as Instrument No. 06-1281073 (as amended, the “Regulatory Agreement”);

D. WHEREAS, the Property was acquired by the Assignor and the Regulatory Agreement was assumed by Assignor pursuant to that certain Assumption of Regulatory Agreement recorded on ________________ as Instrument No: ________________ in the Official Records;
E. WHEREAS, the parties desire to amend the legal description to the Regulatory Agreement to delete a narrow piece of land along the boundary of the Property that is to be conveyed to the adjacent landowner;

F. WHEREAS, to facilitate the rehabilitation, development and operation of the Project, the Assignee desires to acquire and the Assignor desires to sell, convey, and transfer to the Assignee, the Assignor’s entire ownership interest in the Project, which sale, conveyance and transfer requires the assumption by the Assignee of the rights, duties, and obligations of the Assignor under the Regulatory Agreement relating to the period from and after the Effective Date;

G. WHEREAS, the Assignee is willing to assume such obligations under the Regulatory Agreement; and

H. WHEREAS, TCAC, in accordance with the Regulatory Agreement, is willing, by execution below, to consent to (i) the sale, conveyance, and transfer of the Project to the Assignee and (ii) the Assignee’s assumption of all obligations of the Assignor under the Regulatory Agreement as set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. **Recitals and Definitions.** The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Regulatory Agreement.

2. **Amendment of Legal Description.** Exhibit A attached to the Regulatory Agreement is hereby deleted in its entirety and replaced with the Exhibit A attached to this Agreement.

3. **Assignment, Assumption and Consent.** The Assignor hereby assigns and delegates to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor’s rights, title, interest and obligations under the Regulatory Agreement arising from and after the Effective Date, which rights and obligations are more particularly described in the Regulatory Agreement. Without limiting the foregoing, Assignee hereby agrees, for the benefit of Assignor and TCAC, to perform all of the obligations under the Regulatory Agreement that relate to the Project arising from and after the Effective Date. TCAC consents to the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of such rights and obligations.

3. **Release.** The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the Regulatory Agreement on and after the Effective Date but shall remain liable in accordance with the terms of the Regulatory Agreement for any obligation accruing prior to the Effective Date. The parties hereto acknowledge and agree that TCAC does not hereby waive any of the provisions of the Regulatory Agreement and all of the terms, conditions, and provisions of the Regulatory Agreement shall remain in full force and effect.
4. **Notice.** All correspondence and notices given or required to be given to the Assignor under the Regulatory Agreement, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

Assignee: Pueblo del Sol II Housing Partners, L.P.
18201 Von Karman, Suite 900
Irvine, California 92612

With copy to: GSB LIHTC INVESTOR LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
Attention: Urban Investment Group Portfolio Manager

TCAC: California Tax Credit Allocation Committee
915 Capitol Mall, Room 485
PO Box 942809
Sacramento, CA 94209

5. **Successors and Assigns.** This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

6. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

{Assignment continues on following page}
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first written above.

ASSIGNOR:

HACLA PDS LLC, a California limited liability company

By: Housing Authority of the City of Los Angeles, a public body, corporate and politic, its sole member and manager

By: _____________________________
Douglas Guthrie
President and Chief Executive Officer
ASSIGNEE:

PUEBLO DEL SOL II
HOUSING PARTNERS, L.P., a
California limited partnership

By: Related/Pueblo del Sol II Development
    Co., LLC, a California limited liability company,
    Administrative General Partner

    By: ________________________________
        Frank Cardone
        President

By: LOMOD PDS LLC,
    a California limited liability company,
    Managing General Partner

By: La Cienega LOMOD, Inc.,
    a California nonprofit public benefit corporation,
    Its Sole Member and Manager

    By: ________________________________
        Tina Smith-Booth
        President
TCAC:

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

By: __________________________
   Anthony Zeto
   Deputy Director

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

STATE OF CALIFORNIA  )
COUNTY OF _______________ ) ss.

On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA )
COUNTY OF _______________ ) ss.

On ________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA         )
COUNTY OF _______________ ) ss.

On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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WITNESS my hand and official seal.

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

STATE OF CALIFORNIA  )
COUNTY OF _______________  ) ss.
On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA 
COUNTY OF ________________________

On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

________________________________________
[SEAL]

Notary Public
EXHIBIT A
Legal Description of the Property

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION OF LAND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF UTAH STREET AND VIA LAS VEGAS, AS SHOWN ON SAID TRACT; THENCE, ALONG THE CENTERLINE OF SAID VIA LAS VEGAS, THE FOLLOWING TWO (2) COURSES: (1) NORTH 85°46'10" WEST 185.69 FEET; AND (2) NORTH 83°28'59" WEST 46.05 FEET TO THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8; THENCE NORTH 04°14'27" EAST, ALONG SAID PROLONGATION, 38.87 FEET TO THE SOUTHEASTERLY CORNER OF SAID LOT 8; THENCE NORTH 85°44'46" WEST, ALONG THE SOUTHERLY LINE OF SAID LOT 8, A DISTANCE OF 50.23 FEET; THENCE NORTH 04°22'16" EAST 25.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°22'16" EAST 1.97 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 27.21 FEET NORTHERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8; THENCE, ALONG SAID PARALLEL LINE, SOUTH 85°44'46" EAST 250.64 FEET TO A POINT IN THE EASTERLY BOUNDARY OF SAID LOT 6, SAID POINT BEING ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT BEARS NORTH 87°20'31" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°40'04" AN ARC DISTANCE OF 1.98 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 25.24 FEET NORTHERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8 AND PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE NORTH 85°44'46" WEST, ALONG SAID PARALLEL LINE, 250.87 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAPRecorded IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTIONRecorded ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

Pueblo Del Sol II Housing Partners, L.P.
18201 Von Karman Avenue, Suite 900
Irvine, California 92612
Attention: President

Free Recording Requested per Government Code Sec. 6103

ASSIGNMENT, ASSUMPTION AND AMENDMENT OF EASEMENT AGREEMENT

THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT OF EASEMENT AGREEMENT (“Assignment”), made as of _______________, 2021, by and between HACLA PDS LLC, A California limited liability company (“Assignor”), PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership (“Assignee”), and the SUNWHEEL QALICB I LLC (the “Sunwheel”).

RECITALS

A. WHEREAS, the Assignor is the owner of a leasehold interest in that real certain property known as 1300 Plaza Del Sol E Street, City of Los Angeles, County of Los Angeles, State of California (the “Property”), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, Assignor’s predecessor in interest and Sunwheel entered into that certain Easement Agreement Regarding Solar Panels recorded on May 6, 2005, in the office of the County Recorder of Los Angeles County, California (the “Official Records”) as Instrument No. 20122029377 of Official Records (the “Easement Agreement”);

C. WHEREAS, a leasehold interest in the Property was acquired by the Assignor and the Easement Agreement was assumed by Assignor pursuant to that certain Assumption of Easement Agreement recorded on _______________ as Instrument No: ________________ in the Official Records;

D. WHEREAS, the parties desire to amend the legal description to the Easement Agreement to delete a narrow piece of land along the boundary of the Property that is to be conveyed to the adjacent landowner;

E. WHEREAS, to facilitate the rehabilitation, development and operation of the Project, the Assignee desires to acquire and the Assignor desires to sell, convey, and transfer to the Assignee, the Assignor’s entire ownership interest in the Project, which sale, conveyance and transfer requires the assumption by the Assignee of the rights, duties, and obligations of the Assignor under the Easement Agreement relating to the period from and after the Effective Date;
F. WHEREAS, the Assignee is willing to assume such obligations under the Easement Agreement; and

G. WHEREAS, the Sunwheel, in accordance with the Easement Agreement, is willing, by execution below, to consent to (i) the sale, conveyance, and transfer of the Project to the Assignee and (ii) the Assignee’s assumption of all obligations of the Assignor under the Easement Agreement as set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Recitals and Definitions. The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Easement Agreement.

2. Amendment of Legal Description. Exhibit A attached to the Easement Agreement is hereby deleted in its entirety and replaced with the Exhibit A attached to this Agreement.

3. Assignment, Assumption and Consent. The Assignor hereby assigns and delegates to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor’s rights, title, interest and obligations under the Easement Agreement arising from and after the Effective Date, which rights and obligations are more particularly described in the Easement Agreement. Without limiting the foregoing, Assignee hereby agrees, for the benefit of Assignor and the Sunwheel, to perform all of the obligations under the Easement Agreement that relate to the Project arising from and after the Effective Date. Sunwheel consents to the assignment and delegation by Assignor, and the acceptance and assumption by Assignee, of such rights and obligations.

3. Release. The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the Easement Agreement on and after the Effective Date but shall remain liable in accordance with the terms of the Easement Agreement for any obligation accruing prior to the Effective Date.

4. Notice. All correspondence and notices given or required to be given to the Assignor under the Easement Agreement, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

Assignee: Pueblo del Sol II Housing Partners, L.P.
18201 Von Karman, Suite 900
Irvine, California 92612

With copy to: GSB LIHTC INVESTOR LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
5. **Successors and Assigns.** This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

6. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

{Assignment continues on following page}
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date first written above.

ASSIGNOR:

HACLA PDS LLC, a California limited liability company

By: Housing Authority of the City of Los Angeles, a public body, corporate and politic, its sole member and manager

By: _____________________________
Douglas Guthrie
President and Chief Executive Officer
ASSIGNEE:

PUEBLO DEL SOL II
HOUSING PARTNERS, L.P., a
California limited partnership

By: Related/Pueblo del Sol II Development
Co., LLC, a California limited liability company,
Administrative General Partner

By: _______________________________
Frank Cardone
President

By: LOMOD PDS LLC,
a California limited liability company,
Managing General Partner

By: La Cienega LOMOD, Inc.,
a California nonprofit public benefit corporation,
Its Sole Member and Manager

By: _______________________________
Tina Smith-Booth
President
Sunwheel:

SUNWHEEL QALICB I LLC,
A Missouri limited liability company

By: Sunwheel Energy Partners Corp.,
A Missouri corporation, its Managing Member

By: _________________________
Name:
Its:

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

STATE OF CALIFORNIA  
COUNTY OF _______________  

On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA

COUNTY OF _______________

On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA                        )
                  ) ss.
COUNTY OF _______________                  )

On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA

COUNTY OF _______________

On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA
) ss.
COUNTY OF _______________ )

On __________________, 2021, before me, _____________________________, Notary Public, personally appeared _______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

[SEAL] Notary Public
EXHIBIT A
Legal Description of the Property

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION OF LAND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF UTAH STREET AND VIA LAS VEGAS, AS SHOWN ON SAID TRACT; THENCE, ALONG THE CENTERLINE OF SAID VIA LAS VEGAS, THE FOLLOWING TWO (2) COURSES: (1) NORTH 85°46'10" WEST 185.69 FEET; AND (2) NORTH 83°28'59" WEST 46.05 FEET TO THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8; THENCE NORTH 04°14'27" EAST, ALONG SAID PROLONGATION, 38.87 FEET TO THE SOUTHEASTERLY CORNER OF SAID LOT 8; THENCE NORTH 85°44'46" WEST, ALONG THE SOUTHERLY LINE OF SAID LOT 8, A DISTANCE OF 50.23 FEET; THENCE NORTH 04°22'16" EAST 25.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°22'16" EAST 1.97 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 27.21 FEET NORTHEASTERNLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8; THENCE, ALONG SAID PARALLEL LINE, SOUTH 85°44'46" EAST 250.64 FEET TO A POINT IN THE EASTERLY BOUNDARY OF SAID LOT 6, SAID POINT BEING ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT BEARS NORTH 87°20'31" EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°40'04" AN ARC DISTANCE OF 1.98 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 25.24 FEET NORTHEASTERNLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 6 AND PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE NORTH 85°44'46" WEST, ALONG SAID PARALLEL LINE, 250.87 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:
LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
TERMINATION AND RELEASE OF GROUND LEASE AND MEMORANDUM OF LEASE
(Pueblo del Sol Phase II)

THIS TERMINATION AND RELEASE OF GROUND LEASE AND MEMORANDUM OF LEASE (this "Termination and Release"), dated as of May ___, 2021 and effective as of recordation, by and between the HOUSING AUTHORITY OF THE CITY AND OF LOS ANGELES, a public body, corporate and politic (the "Lessor"), and HACLA PDS LLC, a California limited liability company (the "Lessee") shall be effective upon the date of its recordation in the Office of the Assessor-Recorder in the County of Los Angeles (the "Official Records"), and is entered into with reference to the following facts:

RECITALS

A.  WHEREAS, Lessor is the fee owner of that certain real property located at 1300 Plaza Del Sol E, City of Los Angeles, County of Los Angeles, State of California (the "Property"), as more fully described in Exhibit A, attached hereto and made a part hereof;

B.  WHEREAS, the Lessor and Aliso Village II Housing Partners, L.P., a California limited partnership (the "Prior Lessee") entered into that certain Ground Lease Agreement dated as of October 1, 2002, as amended, a memorandum of which was recorded in the Official Records of the County of Los Angeles on October 11, 2002 as Instrument No. 02-2407844, as amended by a first amendment recorded on June 12, 2006 in the Official Records of the City of Los Angeles as Instrument No. 06-1281067 (the memorandum and first amendment are, together, the "Memorandum of Ground Lease") (collectively, the "Ground Lease Documents").

C.  WHEREAS, the Prior Lessee and the Lessee entered into that certain Assignment, Assumption, and Amendment of Ground Lease and Memorandum of Lease dated as of May ___, 2021 and recorded in the Official Records on May _____, 2021 as Instrument No. ______________, pursuant to which the Prior Lessee assigned all rights, duties, and obligations of Prior Lessee under the Ground Lease Documents to Lessee, and Lessee assumed all such rights, duties, and obligations of Prior Lessee under the Ground Lease Documents; and
D. WHEREAS, the Lessor and the Lessee have agreed to terminate the Ground Lease Documents, and to release the Memorandum of Ground Lease as encumbrances against the Property.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants, representations, warranties and agreement set forth herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Lessor and the Lessee do hereby agree as follows:

1. The Lessor and the Lessee hereby terminate the Ground Lease Documents in their entirety.

2. The encumbrances of the Memorandum of Ground Lease are hereby released from the Property.

3. This Termination and Release may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.

[SIGNATURE PAGES FOLLOW]
IN WITNESS WHEREOF, the Lessor and the Lessee have executed this Termination and Release as of the day first above written.

LESSOR:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: __________________________
Douglas Guthrie
President and Chief Executive Officer

APPROVED AS TO FORM:

By: __________________________
Authority Counsel
Becky Churchill Clark,
Sr. Staff Attorney

APPROVED AS TO FORM AND LEGALITY:

GOLDFARB & LIPMAN LLP,
Authority Special Counsel

By: __________________________

[Signatures continue on next page]
LESSEE:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, its sole member and manager

By: ______________________________

Douglas Guthrie
President and Chief Executive Officer

APPROVED AS TO FORM:

By: ______________________________

Authority Counsel
Becky Churchill Clark,
Sr. Staff Attorney

APPROVED AS TO FORM AND LEGALITY:

GOLDFARB & LIPMAN LLP,
Authority Special Counsel

By: ______________________________

[SIGNATURES MUST BE NOTARIZED]
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The land referred to herein is situated in the City of Los Angeles, in the County of Los Angeles, State of California, and is described as follows:

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
TERMINATION OF
REGULATORY AND OPERATING AGREEMENT

Pueblo del Sol Phase II

This Termination of Regulatory and Operating Agreement (this "Termination") by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the "Authority") and HACLA PDS LLC, a California limited liability company (the "Owner"), is dated for reference purposes as of this ___ day of May, 2021.

WHEREAS, the Authority is the fee owner of that certain real property more particularly described in the attached "Exhibit A" (the "Property");

WHEREAS, the Authority and the United States Department of Housing and Urban Development ("HUD") entered into that certain Consolidated Annual Contributions Contract No. SF-345 dated October 1, 2002, as Amendment Number 106 (the "ACC"); and

WHEREAS, the Authority and HUD entered into a Mixed Finance Amendment to the above referenced ACC dated October 1, 2002 (the "Mixed Finance Amendment"), as amended by that certain Amendment to Mixed Finance Amendment to Consolidated Annual Contributions Contract dated ______________ (as amended, the "Amended Mixed Finance Amendment") governing Project No. CA004000401 (the "Project");

WHEREAS, pursuant to the Mixed-Finance Amendment, the Authority and Aliso Village II Housing Partners, L.P., a California limited partnership ("Prior Owner") entered into a certain Regulatory and Operating Agreement dated as of October 1, 2002 and recorded in the Official Records of the County of Los Angeles (the "Official Records") on October 11, 2002 as Instrument No. 02-2407846, as amended by that certain First Amendment recorded in the Official Records on June 12, 2006 as Instrument No. 06-1281070, as further amended by that certain Amendment to Regulatory and Operating Agreement recorded in the Official Records on February 05, 2007 as Instrument No. 20070251953 (collectively, as amended, the "R&O");
WHEREAS, Prior Owner conveyed the improvements on the Property to Owner pursuant to a Grant Deed recorded in the Official Records of the County of Los Angeles (the "Grant Deed") and conveyed a leasehold interest in the Property to Owner pursuant to that certain Assignment, Assumption and Amendment of Ground Lease and Memorandum of Lease effective May ____, 2021 and recorded in the Official Records on May ____, 2021 as Instrument No. ____________ (the "Assignment of Lease");

WHEREAS, concurrently with recordation of the Assignment of Lease, Prior Owner assigned its rights and obligations under the R&O to Owner, and Owner assumed such rights and obligations, pursuant to that certain Assignment and Assumption of Regulatory and Operating Agreement dated as of May 1, 2021 and recorded in the Official Records on May _____, 2021 as Instrument No. ________________.

WHEREAS, HUD has authorized the conversion of the Project from mixed-finance public housing to Section 8 assistance under the Rental Assistance Demonstration ("RAD") program and has issued a RAD Conversion Commitment for the Project; and

WHEREAS, the R&O is being terminated by this Termination to accomplish conversion of the Project from mixed-finance public housing to Section 8 assistance under RAD.

NOW, THEREFORE, in consideration of mutual promises made, the parties hereto agree that the R&O is hereby terminated and both the Authority and Owner are hereby released from any and all obligations thereunder.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]
In consideration of the foregoing covenants, the parties do hereby set forth their seals:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

(SEAL)

ATTEST:

By: _______________________________
   Douglas Guthrie
   President and Chief Executive Officer

HACLA PDS LLC, a California limited liability company

(SEAL)

ATTEST:

By:   _______________________________
       HOUSING AUTHORITY OF THE CITY
       OF LOS ANGELES, a public body, corporate and politic, its sole member and manager

By:   _______________________________
       Douglas Guthrie
       President and Chief Executive Officer
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of ________________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
Exhibit A

Legal Description

The land referred to herein is situated in the City of Los Angeles, in the County of Los Angeles, State of California, and is described as follows:

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41’49” WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24’45” WEST 93.26 FEET; THENCE NORTH 85°40’52” WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19’08” EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19’08” EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35’38” EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38’02”; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40’52” WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
TERMINATION AND RELEASE AGREEMENT AND
SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE
(AFR Loan Documents)

This TERMINATION AND RELEASE AGREEMENT AND SUBSTITUTION OF TRUSTEE AND FULL RECONVEYANCE (the "Agreement") is entered into as of May ___, 2021, by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (the "Authority"), and HACLA PDS LLC, a California limited liability company ("HACLA PDS LLC"). The Authority and HACLA PDS LLC are collectively referred to as the "Parties".

RECITALS

A. The Authority is the owner of that certain real property located at 1300 Plaza Del Sol E in the City and County of Los Angeles, California (the "Property") and more particularly described in the attached Exhibit A;

B. Aliso Village II Housing Partners L.P., a California limited partnership ("AVHP II") previously owned the improvements located on the Property (the "Improvements");

C. To help finance the rehabilitation of the Improvements, the Authority made a loan to AVHP II in the original principal amount of Five Million Five Hundred Seventy-Five Thousand Dollars ($5,575,000), pursuant to that certain AFR Loan Agreement by and between the Authority and AVHP II ("Loan Agreement"), evidenced by that certain AFR Promissory Note in the original principal amount of Five Million Five Hundred Seventy-Five Thousand Dollars ($5,575,000) (the "Note"), which Note was secured by that certain AFR Leasehold Deed of Trust, Assignment of Rents and Security Agreement recorded against some or all of the Property as Instrument No. 02 2407847, as amended by that certain First Amendment to AFR Leasehold Deed of Trust, Assignment of Rents and Security Agreement recorded in the Official Records of the County of Los Angeles (the "Official Records") on June 12, 2006 as Instrument No. 06 1281068 (together, the "Deed of Trust"); the Loan Agreement, Note, and Deed of Trust are, collectively, the "Loan Documents";

D. AVHP II subsequently conveyed the Improvements to HACLA PDS LLC, and, substantially concurrently, AVHP II assigned all of its rights, interests, and obligations in the Loan Documents to HACLA PDS LLC, and HACLA PDS LLC assumed all such rights,
interests, and obligations, all pursuant to that certain Assignment and Assumption of AFR Loan Documents by and between AVHP II and HACLA PDS LLC and consented to by the Authority;

E. The Authority now desires to forgive the loan and all accrued interest or other amounts due thereunder (the "Loan") and terminate the Loan Documents; and

F. The Authority now desires to reconvey the Deed of Trust and release the Deed of Trust as an encumbrance on the Property.

NOW THEREFORE, in consideration of the foregoing, of the mutual promises of the Parties hereto and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

Section 1. Substitution of Trustee; Reconveyance of Deed of Trust. The Authority, as beneficiary under the Deed of Trust, does hereby substitute and appoint itself as trustee under the Deed of Trust in the place and stead of the party listed as the trustee under the Deed of Trust. Upon recordation of this Agreement in the Official Records, the Authority hereby discharges the present record trustee and appoints itself as the new trustee who shall succeed in all powers, duties, authority and title of the former trustee. The Parties hereby reconvey and release the Deed of Trust as an encumbrance from and against the Property.

Section 2. Forgiveness of Loan. The Authority hereby forgives the Loan. Each of the Loan Documents is hereby terminated, and each of the Loan Documents are null and void, and are of no further force or effect.

Section 3. Cancellation of Note. The Authority hereby cancels the Note.

Section 4. California Law. This Agreement is governed by and interpreted in accordance with the laws of the State of California.

Section 5. Invalidity. Any provision of the Agreement which is determined by a court to be invalid or unenforceable shall be deemed severed herefrom, and the remaining provisions shall remain in full force and effect as if the invalid or unenforceable provision had not been a part hereof.

Section 6. Headings. The headings used in this Agreement are for convenience only and shall be disregarded in interpreting the substantive provisions of this Agreement.

Section 7. Incorporation of Recitals and Exhibits. All recitals set forth above, and all exhibits attached to this Agreement, are incorporated herein by this reference.

Section 8. Successors. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto.

Section 9. Complete Understanding of the Parties. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the matters set forth in this Agreement, and this Agreement supersedes all prior negotiations, discussions, undertakings, or
agreements between the Parties. No provision of this Agreement may be amended except by an agreement in writing signed by the Parties hereto or their respective successors in interest.

Section 10. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute one and the same instrument.

Remainder of Page Left Intentionally Blank
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

AUTHORITY:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic,

By: ___________________________
   Douglas Guthrie
   President and Chief Executive Officer

HACLA PDS LLC:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic,
   its sole member and manager

By: ___________________________
   Douglas Guthrie
   President and Chief Executive Officer
EXHIBIT A

LEGAL DESCRIPTION

The land referred to herein is situated in the City of Los Angeles, in the County of Los Angeles, State of California, and is described as follows:

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41’49” WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24’45” WEST 93.26 FEET; THENCE NORTH 85°40’52” WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19’08” EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19’08” EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35’38” EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38’02”; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40’52” WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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APN: 5173-029-907, 5173-029-911; 5173-029-947
TERMINATION OF
AMENDED MIXED FINANCE AMENDMENT TO CONSOLIDATED
ANNUAL CONTRIBUTIONS CONTRACT

Pueblo del Sol Phase II

This Termination of Amended Mixed Finance Amendment to Consolidated Annual Contributions Contract (this "Termination") by and between the Housing Authority of the City of Los Angeles (the "Authority") and the United States Department of Housing and Urban Development ("HUD") is entered into as of this __ day of May 2021.

WHEREAS, the Authority and HUD entered into that certain Consolidated Annual Contributions Contract No. SF-345 dated February 25, 2002, as Amendment Number 106 (the "ACC");

WHEREAS, the Authority and HUD entered into a Mixed Finance Amendment to the above referenced ACC dated October 1, 2002, as amended by that certain Amendment to Mixed Finance Amendment to Consolidated Annual Contributions Contract dated ______________ (as amended, the "Amended Mixed Finance Amendment") governing Project No. CA004000401 (the "Project");

WHEREAS, HUD has authorized the conversion of the Project from mixed-finance public housing to Section 8 assistance under the Rental Assistance Demonstration ("RAD") program and has issued a RAD Conversion Commitment for the Project; and

WHEREAS, the Amended Mixed Finance Amendment is being terminated by this Termination to accomplish conversion of the Project from mixed-finance public housing to Section 8 assistance under RAD.

NOW, THEREFORE, in consideration of mutual promises made, the parties hereto agree that the Amended Mixed Finance Amendment is hereby terminated and both the Authority and HUD are hereby released from any and all obligations thereunder.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]
In consideration of the foregoing covenants, the parties do hereby set forth their seals:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

(SEAL)
ATTEST:

By: __________________________
Douglas Guthrie
President and Chief Executive Officer

APPROVED AS TO FORM:

By: __________________________
Authority Counsel
Becky Churchill Clark,
Sr. Staff Attorney

APPROVED AS TO FORM AND LEGALITY:

GOLDFARB & LIPMAN LLP,
Authority Special Counsel

By: __________________________
UNITED STATES OF AMERICA
Secretary of Housing and Urban Development

(SEAL)
ATTEST:

By: ______________________
Meena Bavan
Its: Director, Office of Public Housing

Date: ______________________
ASSIGNMENT AND ASSUMPTION OF LEASES AND RENTS, 
SERVICE CONTRACTS AND INTANGIBLES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES AND RENTS, SERVICE CONTRACTS AND INTANGIBLES (this “Agreement”) is made and entered into as of __________, 2020, by and between HACLA PDS LLC, a California limited liability company (“Assignor”) and Pueblo del Sol III Housing Partners, L.P., a California limited partnership (“Assignee”).

RECITALS:

This Agreement is made with reference to the following facts:

A. Concurrently herewith, Assignor is conveying to Assignee all of its right title and interest in and to that certain 201176-unit apartment development (the “Apartment Development”) commonly known as “Pueblo del Sol – Phase III,” located in the City of Los Angeles, County of Los Angeles, State of California and a leasehold estate in and to the real property and fee title to all buildings, structures, parking areas, sidewalks, landscaping and other improvements comprising the Apartment Development (the “Property”).

B. Assignor desires to assign to Assignee and Assignee wishes to accept and assume all of Assignor’s right, title and interest in and to (i) all leases and rental agreements with tenants of the Property (the “Leases”), together with all rents, issues and profits arising from the Leases, and all unapplied security and other deposits, if any, paid by such tenants to Assignor and all accrued interest thereon, to the extent interest is required to be paid to such tenants; (ii) those certain service contracts with respect to the Property (the “Service Contracts”); and (iii) certain other rights and obligations as set forth below.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Leases. Assignor hereby sells, transfers, assigns, conveys and delivers unto Assignee, its successors and assigns, all of Assignor’s right, title, and interest in, to and under the Leases. In addition, Assignor does hereby assign unto Assignee (subject to any proration agreements existing between Assignor and Assignee in accordance with the Agreement, as hereinafter defined) all rents, issues and profits arising from the Leases and all of its right, title, and interest in, to and with respect to any and all security deposits and other deposits which Assignor is holding in connection with the Leases. Assignee hereby accepts the assignment of the Leases and agrees to assume the obligations required of the landlord under each such Lease accruing and arising from and after the date hereof and to indemnify and hold Assignor harmless from and against any and all fees, charges, expenses, liabilities, claims and costs, including but not limited to reasonable attorneys’ fees, suffered or incurred by Assignor on account of Assignee’s
failure to assume and perform the obligations required of the landlord under the Leases accruing and arising from and after the date hereof.

2. **Service Contracts.** Assignor hereby sells, transfers, assigns, conveys and delivers unto Assignee, its successors and assigns, all of Assignor’s right, title, and interest in, to and under the Service Contracts. Assignee hereby accepts the assignment of the Service Contracts and agrees to assume the obligations required of owner under each such Service Contract accruing and arising from and after the date hereof, and to indemnify and hold Assignor harmless from and against any and all fees, charges, expenses, liabilities, claims and costs, including but not limited to reasonable attorneys’ fees, suffered or incurred by Assignor on account of Assignee’s failure to assume and perform the obligations required of the owner under the Service Contracts accruing and arising from and after the date hereof.

3. **Additional Rights.** Assignor hereby assigns to Assignee all of Assignor’s right, title and interest (if any) in and to all (i) all certificates of occupancy, if any, licenses, permits, and approvals, (ii) all telephone numbers now serving the Apartment Development, (iii) all warranties and guarantees, (iv) the names “Aliso Village” and/or “Pueblo del Sol”, and (v) all bonds, claims and rights running to or assigned to Assignor in connection with the construction maintenance, operation or repair of the Property.

4. **Further Assurances.** The parties hereto agree to execute such further documents and agreements as may be reasonably necessary or appropriate to effectuate the purposes of this Agreement.

5. **Miscellaneous.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives. This Agreement may be executed in counterparts, each of which for all purposes shall be deemed an original, and all of which when taken together shall constitute one and the same Agreement.

[SIGNATURES ON NEXT PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the date first above written.

ASSIGNOR:

HACLA PDS LLC, A California limited liability company

By: Housing Authority of the City of Los Angeles, a public body, corporate and politic its sole member and manager

By: _____________________________
Douglas Guthrie
President and Chief Executive Officer
ASSIGNEE:

PUEBLO DEL SOL III HOUSING PARTNERS, L.P., a California limited partnership,

By: Related/Pueblo del Sol III Development Co., LLC, a California limited liability company, Administrative General Partner

By: ____________________________
    Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, Managing General Partner

By: La Cienega LOMOD, Inc., a California nonprofit public benefit corporation, its sole member and manager

By: ____________________________
    Tina Smith-Booth, President
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Recording Requested By:
When Recorded Mail To:

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard
Los Angeles, CA 90057
Attention: President and CEO

No fee for recording pursuant to
Government Code Section 27383 and 27388.1

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Rental Assistance Demonstration
Use Agreement
(Pueblo del Sol Phase II)
This Rental Assistance Demonstration Use Agreement (hereinafter called the “Agreement”) is made as of [_____________ (date)], for the benefit of and agreed to by the United States Department of Housing and Urban Development, acting by and through the Secretary, his or her successors, assigns or designates (hereinafter called “HUD”) by Pueblo del Sol II Housing Partners, L.P., a California limited partnership (“Project Owner”), and the Housing Authority of the City of Los Angeles, a public body, corporate and politic (“PHA”).

Whereas, Rental Assistance Demonstration (hereinafter called “RAD”) provides the opportunity to test the conversion of public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance to achieve certain goals, including the preservation and
improvement of these properties through access to private debt and equity to address immediate and long-term capital needs.

Whereas, PHA is the fee owner of the real property described on Exhibit A (the “Property”), upon which is or will be located improvements owned or to be owned by Project Owner receiving assistance converted pursuant to RAD, which project will commonly be known as Pueblo del Sol Phase II (the “Project”). The Project will contain 176 dwelling units, of which 112 (“Assisted Units”) are subject to a RAD Housing Assistance Payment contract, as the same may be renewed, amended or replaced from time to time (“RAD HAP Contract”).

Whereas, pursuant to the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011, as amended from time to time, the “RAD Statute”); and the corresponding PIH Notice 2012-32, rev-2, as amended from time to time, and any successor document and/or regulations (hereinafter called the “RAD Notice”), which this Agreement incorporates by this reference, the PHA and/or the Project Owner, as applicable, has agreed to encumber the Property and the Project Owner has agreed to operate the Project in accordance with this Agreement in exchange for HUD’s agreement to execute or permit the execution of the RAD HAP contract and the assistance provided thereby;

Whereas, in accordance with the RAD Statute and RAD Notice, except as otherwise agreed in writing by HUD, this Agreement is to be recorded superior to other liens on the Property, run until the conclusion of the initial term of the RAD HAP contract, automatically renew upon each extension or renewal of the RAD HAP contract for a term that runs with each renewal term of the RAD HAP contract, and remain in effect even in the case of abatement or termination of the RAD HAP contract for the term the RAD HAP contract would have run, absent the abatement or termination.

Now Therefore, in consideration of the foregoing, conversion of assistance pursuant to RAD, provision of rental assistance pursuant to the RAD HAP contract and other valuable consideration, the parties hereby agree as follows:

1. Definitions. All terms used in this Agreement and not otherwise defined have the same meaning as set forth in the RAD Notice.

2. Term. The initial term of this Agreement commences upon the date this Agreement is entered into and shall run until the conclusion of the initial term of the RAD HAP contract. The RAD HAP contract is effective for 20 years. Unless otherwise approved by HUD, this Agreement shall remain in effect through the initial term of the RAD HAP contract and for additional periods to coincide with any renewal term of the RAD HAP contract or any replacement HAP contract. It is the intention of the parties that the RAD HAP and this Agreement shall each renew upon the completion of its initial term. Therefore, this Agreement shall remain in effect until a release is recorded as contemplated by Section 8. Such release shall be the evidence of the non-renewal of the HAP Contract, of the determination not to execute a replacement HAP contract and of the termination of this Agreement. This Agreement will survive abatement of assistance or termination of the RAD HAP contract unless otherwise approved by HUD.
3. **Use Restriction and Tenant Incomes.** The Assisted Units shall be leased in accordance with the RAD HAP contract, including any applicable eligibility and/or income-targeting requirements. In the case that the RAD HAP contract is terminated prior to the completion of the term or renewal term, if applicable, of this Agreement (by way of illustration and not limitation, for breach or non-compliance), for the remainder of the term of this Agreement new tenants leasing the Assisted Units (except if any of the Assisted Units is a HUD-approved manager unit) must have incomes at or below 80 percent of the Area Median Income (AMI) at the time of admission (“Eligible Tenants”). Additionally, rents for such Assisted Units must not exceed 30% of 80% of the AMI for households of the size occupying an appropriately sized unit. Notwithstanding the foregoing, in the event the Project Owner so requests and is able to demonstrate to HUD’s satisfaction that despite the Project Owner’s good faith and diligent efforts to do so, the Project Owner is unable either (1) to rent a sufficient percentage of Assisted Units to Eligible Tenants in order to satisfy the restrictions in this paragraph, or (2) to otherwise provide for the financial viability of the Project, HUD may, in its sole discretion, agree to reduce the percentage of units subject to the restriction under this paragraph or otherwise modify this restriction in a manner acceptable to the Project Owner and HUD. Any such modification of the restrictions listed in this paragraph shall be evidenced by a written amendment to this Agreement executed by each of the parties hereto.

4. **Survival.** This Agreement will survive foreclosure and bankruptcy.

5. **Fair Housing and Civil Rights Requirements.** The Project Owner and its agents, where applicable, shall ensure that the Project complies with applicable federal fair housing and civil rights laws, regulations, and other legal authorities, including those identified at 24 C.F.R. § 5.105.

6. **Accessibility Requirements.** The Project Owner and its agents, where applicable, shall ensure that the Project complies with all applicable federal accessibility requirements under the Fair Housing Act and implementing regulations at 24 CFR Part 100, Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8, and Titles II and III of the Americans with Disabilities Act and implementing regulations at 28 CFR Parts 35 and 36, respectively.

7. **Restrictions on Transfer.** HUD has been granted and is possessed of an interest in the above described Project. Except as authorized below, the Project Owner and, if a party hereto, the PHA, shall not transfer, convey, encumber or permit or suffer any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said Project and/or Property or any part thereof without prior written consent of HUD. Notwithstanding the foregoing, HUD hereby authorizes (a) leases in the normal operation of the Project, (b) subordinate liens contemplated by a RAD Conversion Commitment executed in connection with the Project, whether such liens are recorded concurrent with the recordation of this Use Agreement or recorded subsequent hereto (such as permanent financing to replace construction-period financing), and (c) conveyance or dedication of land for use as streets, alleys, or other public rights-of-way and grants and easements for the establishment, operation and maintenance of public utilities. Except as otherwise approved in writing by HUD, any lien on the Project and/or Property shall be subject and subordinate to this Agreement. Unless this Agreement is released by HUD, any transferee of the Project and/or Property shall take title subject to this Agreement. In the event of a default
under the RAD HAP contract including, without limitation, upon any transfer of the Property or Project without HUD consent, upon expiration of any applicable notice and/or cure periods, HUD may transfer the RAD HAP contract and the rental assistance contemplated therein to another entity and/or Property and/or Project. The Project Owner has constituted HUD as its attorney-in-fact to effect any such transfer.

8. **Amendment or Release.** This Agreement may not be amended without HUD consent. This Agreement shall remain as an encumbrance against the Property unless and until HUD executes a release for recording. This Agreement may only be released by HUD in its sole discretion. In the event that the RAD HAP is, in accordance with all applicable laws and RAD program requirements, not renewed or replaced, HUD shall not unreasonably fail to provide such a release upon the completion of the applicable term of this Agreement.

9. **Enforcement.** In the event of a breach or threatened breach of any of the provisions of this Agreement, any eligible tenant or applicant for occupancy within the Project, or the Secretary or his or her successors or delegates, may institute proper legal action to enforce performance of such provisions, to enjoin any acts in violation of such provisions, to recover whatever damages can be proven, and/or to obtain whatever other relief may be appropriate.

10. **Severability.** The invalidity, in whole or in part, of any of the provisions set forth in this Agreement shall not affect or invalidate any remaining provisions.

11. **Conflicts.** Any conflicts between this Agreement and the RAD HAP contract or any other applicable HUD program requirements shall be conclusively resolved by the Secretary.

12. **Execution of Other Agreements.** The Project Owner and, if a party hereto, the PHA, agrees that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that in any event, the provisions of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other conflicting requirements.

13. **Subsequent Statutory Amendments.** If revisions to the provisions of this Agreement are necessitated by subsequent statutory amendments, the Project Owner and, if a party hereto, the PHA, agrees to execute modifications to this Agreement that are needed to conform to the statutory amendments. At HUD’s option, HUD may implement any such statutory amendment through rulemaking.

14. **Lender Provisions.**

   A. Nothing in this Agreement prohibits any holder of a mortgage or other lien against the Property or Project from foreclosing its lien or accepting a deed in lieu of foreclosure. Any lien holder shall give HUD, as a courtesy, written notice prior to declaring an event of default. Any lien holder shall provide HUD concurrent notice with any written filing of foreclosure filed in accordance with state law provided that the foreclosure sale shall not occur sooner than sixty days (60) days after such notice to HUD. The Notice to HUD may be personally delivered or sent by U.S. certified or registered mail, return receipt requested, first class postage prepaid, addressed as follows:
If for PBRA transactions:
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 9100
Washington, DC  20410
Attention: Office of the Assistant Secretary for Housing - Rental Assistance Demonstration

If for PBV transactions:
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 4100
Washington, DC  20410
Attention: Office of the Assistant Secretary for Public and Indian Housing - Rental Assistance Demonstration

B. Notwithstanding any lien holder’s foreclosure rights, this Agreement survives foreclosure and any new owners of the Property or the Project take ownership subject to this Agreement.

C. Transfer of title to the Property or the Project may be grounds for termination of assistance under the RAD HAP contract. However, HUD may permit, through prior written consent by HUD, the new owner of the Property or the Project to assume the RAD HAP contract, subject to the terms included therein, or enter into a new HAP contract. Any HUD consent to continued HAP assistance is subject to the RAD Statute and other RAD program requirements.

D. Each entity interested in purchasing the Property in a foreclosure sale administered under state foreclosure law may submit a written request to HUD to continue RAD HAP contract assistance in the event of such entity’s successful acquisition at the foreclosure sale. Such request shall be submitted by the latter of ten business days after first publication of the foreclosure sale or 60 days prior to such foreclosure sale.

15. Successors and Assigns. This Agreement shall be binding upon the Project Owner and, if a party hereto, the PHA, and all future successors and assigns of either with respect to any portion of the Property or the Project.
In Witness Whereof, these declarations are made as of the first date written above.

THE UNITED STATES OF AMERICA, acting by and through the Secretary of Housing and Urban Development

By: _________________________________
Name: Thomas R. Davis
Title: Director, Office of Recapitalization
Date: _________________________________

District of Columbia ss:

Before me, ________________________________________, a Notary Public in and for the District of Columbia on this _______ day of ____________________________, 20____, personally appeared ___________________________________________________________________, who is personally known to me to be the person who executed the foregoing instrument by virtue of the authority vested in him by the Department of Housing and Urban Development, and did acknowledge the signing thereof to be a free and voluntary act and done on behalf of the Secretary of Housing and Urban Development for the uses, purposes and considerations therein set forth.

Witness my hand and official seal this _______ day of ____________________________, 20____.

(Seal)

______________________________________________________ (Notary Public)

My commission expires _______________________, 20_____.

1153/12/3015205.2

Form HUD- 52625 (4/2017)
Project Owner:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P.,
a California limited partnership

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, its administrative general partner

By: ______________________________
    Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, its managing general partner

By: La Cienega LOMOD, Inc., a California nonprofit public benefit corporation, its sole member and manager

By: ______________________________
    Tina Smith-Booth, President

Date: ________________________________

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

STATE OF CALIFORNIA )
) )
COUNTY OF _________________ )

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

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

WITNESS my hand and official seal.

Name: ____________________________
    Notary Public
PHA / Fee Owner:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: _____________________________
Name: Douglas Guthrie
Title: President and Chief Executive Officer

Date: ____________________________

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

STATE OF CALIFORNIA )
) )
COUNTY OF __________________ )

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

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

WITNESS my hand and official seal.

________________________________________
Name: _________________________________
Notary Public
RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Pueblo del Sol II Housing Partners, L.P.
c/o The Related Companies of California, LLC
18201 Von Karman Avenue, Suite 900
Irvine, CA 92612
Attn: Frank Cardone

APNs: __________________________
Address: __________________________

GRANT DEED

(Pueblo del Sol Phase II Improvements)

THE UNDERSIGNED GRANTOR(S) DECLARE(S):

Documentary Transfer Tax is $_________; City Transfer Tax is $_________

☐ Computed on full value of property conveyed, or
☐ Computed on full value less value of liens and/or encumbrances remaining at time of sale,

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, HACLA PDS LLC, a California limited liability company (the "Grantor"), hereby grants to PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership (the "Grantee"), the real property located in the City of Los Angeles, County of Los Angeles, State of California, described in Exhibit A, attached hereto and made a part hereof.

[SIGNATURE PAGES FOLLOW]
Executed as of this ___ day of ____________, 2021.

GRANTOR:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, its sole member and manager

By: __________________________
    Douglas Guthrie
    President and Chief Executive Officer

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

STATE OF CALIFORNIA )
 )
COUNTY OF __________________ )

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

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

WITNESS my hand and official seal.

________________________________________
Name:  ______________________________
Notary Public
EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY
(Improvements only)

All improvements located in, on, or under that certain real property situated in the County of Los Angeles, State of California, described as follows:
GROUND LEASE
(Pueblo del Sol – Phase II)

between the

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES,
a public body, corporate and politic

and

PUEBLO DEL SOL II HOUSING PARTNERS, L.P.,
a California limited partnership
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GROUND LEASE
(Pueblo del Sol - Phase II)

THIS GROUND LEASE (“Lease”) is entered into as of ______________, 20__, by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic (“Lessor”), and PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership (“Lessee”).

RECITALS

A. WHEREAS, these Recitals refer to and utilize certain capitalized terms that are defined in Section 1.1 of this Agreement. The parties intend to refer to those definitions in connection with their use in these Recitals.

B. WHEREAS, the Lessor and Aliso Village II Housing Partners, L.P., a California limited partnership (“AVHP II”), previously entered into that certain Ground Lease Agreement, entered into as of October 1, 2002 (the “Original Ground Lease”), pursuant to which Lessor leased to AVHP II that certain real property located in the City of Los Angeles, as more particularly described in Exhibit A attached hereto (the “Leased Premises”).

C. WHEREAS, the Rental Development Site constituted the second phase of the two-phase redevelopment of the former public housing project known as Aliso Village under the federal HOPE VI mixed-finance development program (“HOPE VI”), now known as Pueblo del Sol.

D. WHEREAS, pursuant to terms of the Original Ground Lease and the agreements required under the HOPE VI program (the “HOPE VI Documents”), AVHP II caused the development of a one hundred and seventy-six (176) unit low-income rental apartment project on the Leased Premises (the “Original Development”).

E. WHEREAS, Lessor and Lessee now desire to rehabilitate both phases of Pueblo del Sol and to convert the public housing units in Pueblo del Sol to Section 8 units subsidized under the HUD Rental Demonstration (“RAD”) Program and to convert certain units to Section 8 project-based voucher units, with the Leased Premises as the second phase of the rehabilitation project.

F. WHEREAS, in order to facilitate the conversion of the Project under the RAD Program administered by the U.S. Department of Housing and Urban Development (the "RAD Conversion"), the Original Ground Lease was assigned to HACLA PDS LLC, a California limited liability company, as lessee (the “Interim Lessee”) and the Original Ground Lease was amended to provide that title to the improvements on the Leased Premises constituting the Original Development would remain with the Interim Lessee upon termination of the Original Ground Lease for the purpose of the Interim Lessee conveying the Original Development to Lessee concurrently with the execution of this Lease.

G. WHEREAS, Lessee is a California limited partnership duly formed and authorized to do business in the State of California as Pueblo del Sol II Housing Partners, L.P., a California limited partnership, having Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, as its administrative general partner (the “Administrative General Partner”), and having LOMOD PDS LLC, a California limited liability company (in which
La Cienega LOMOD, Inc., a California nonprofit public benefit corporation, is its sole member), as its managing general partner (the “Managing General Partner”).

H. WHEREAS, pursuant to the terms of that certain Disposition and Development Agreement for Pueblo del Sol – Phase II, between Lessor and Lessee, dated as of November 13, 2019 (the “DDA”), Lessee intends to rehabilitate the Original Development in accordance with the Scope of Work (as such term is defined below) (the “Rehabilitation”), which rehabilitated development (the “Rental Development”) will consist of one hundred and seventy-six (176) units of rental housing that comply with all applicable tax rules and regulations under Section 42 of the Internal Revenue Code of 1986, as amended.

I. WHEREAS, the Development (as such term is defined below) shall be owned and operated during the Tax Credit Compliance Period by Lessee, and the rent-restricted residential units shall be leased to income-qualified tenants at affordable rents pursuant to the requirements of all applicable public funding programs as set forth in this Lease and pursuant to the terms of this Lease. Lessor shall have an option to purchase and right of first refusal of the Rental Development after expiration of the Tax Credit Compliance Period.

J. WHEREAS, pursuant to the terms of the DDA, Lessor and Lessee desire to enter into this Lease to more fully set forth their rights and obligations with respect to the matters described herein.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants, representations, warranties and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

ARTICLE 1
DEFINITIONS; EFFECT OF DOCUMENTS

Section 1.1 Definitions.

For the purposes of this Lease, the following defined terms shall have the meanings ascribed thereto in this Article 1. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the DDA.

(a) Accessibility Requirements. Shall have the meaning set forth in Section 3.8 hereof.

(b) Acquisition Loan. Shall mean the Acquisition Loan to be made by HACLA PDS LLC (or Interim Lessee) to Lessee on or about the Commencement Date of this Lease for the acquisition of the existing improvements on the Leased Premises, as evidenced by a loan agreement, promissory note and a deed a trust secured by the Leased Premises.

(c) Acquisition Loan Documents. Shall mean, collectively, the Acquisition Loan agreement, promissory note and deed of trust.

(d) Administrative General Partner. Related/Pueblo del Sol II Development Co., LLC, a California limited liability company.
(e) Amended and Restated Partnership Agreement. The Amended and Restated Agreement of Limited Partnership of Lessee, between the Administrative General Partner, as administrative general partner, the Managing General Partner, as managing general partner, the Disaffiliated LOMOD Partner, as special limited partner, and the Investor, as limited partner, dated as of______________.

(f) Annual Statement. Shall have the meaning set forth in Section 4.8 hereof.

(g) Applicable Rate. Shall mean the Prime Rate plus two percent (2%) per annum, not to exceed the maximum rate of interest permitted by law under the circumstances.

(h) Approved Financing. The following loans and financing acquired by the Lessee and approved by the Lessor for the purpose of financing the Development:

1. the Bank Loan;
2. the Acquisition Loan; and
3. the Tax Credit Equity.

For purposes hereof, “Approved Financing” shall also include any loans and financing obtained by Lessee in the future with the consent of Lessor.

(i) Approved Financing Documents. All of the documents documenting the Bank Loan, the Acquisition Loan and the Tax Credit Equity as approved by Lessor to the extent required by the DDA.

(j) Bank. Citibank, N.A., a national banking association, as funding lender under the Bank Loan.

(k) Bank Loan. A certain tax-exempt loan from the Housing Authority of the City of Los Angeles to Lessee, as evidenced by a certain Multifamily Note in the approximate amount of____________________ Dollars ($__________), dated as of _________________, as endorsed to the Bank.

(l) Casualty. Shall have the meaning given to such term in Article 11 hereof.

(m) City. The City of Los Angeles, California.

(n) Closing. The date on which one or more deeds of trust securing the Approved Financing for the Rehabilitation are recorded against the Leased Premises.

(o) Commencement Date. The date first written above.

(p) DDA. Shall have the meaning given to such term in Recital G hereof, as amended by that certain First Amendment dated on or about the date of this Lease.

(q) Default Rate. Shall mean the lesser of (a) the Applicable Rate, plus two percent (2%) per annum, compounded annually, and (b) the highest rate of interest permitted under law for the circumstances under which the Default Rate shall apply.
(r) **Development.** The Rental Development and Lessee’s Estate.

(s) **Disaffiliated LOMOD Partner** means a special limited partner of the Lessee which has been disaffiliated from LOMOD and the Managing General Partner for federal income tax purposes.

(t) **Event of Default.** Shall have the meaning given to such term in Article 12 hereof.

(u) **Field Encroachments License.** That certain unrecorded license agreement between Lessee and LAUSD dated as of _____, 2021, permitting certain areas of the adjoining LAUSD athletic field to encroach onto the Leased Premises.

(v) **Governmental Authorities.** Any applicable federal, state or local governmental or quasi-governmental entities, subdivisions, agencies, authorities or instrumentalities having jurisdiction over the Leased Premises, the Rental Development, Lessor or Lessee.

(w) **Hazardous Materials or Hazardous Substances.** Any oil or any fraction thereof or petroleum products or “hazardous substance” as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14) or Section 25281(h) or 25316 of the California Health and Safety Code at such time; any “hazardous waste,” “infectious waste” or “hazardous material” as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as “toxic” or “hazardous” in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 39000 et seq.), or California Water Code (Section 13000 et seq.), at such time; and any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Leased Premises, but excluding any substances or materials used in the Rehabilitation or the maintenance or operation of the Rental Development, so long as the same are used in accordance with all applicable laws.

(x) **Hazardous Materials Law.** All federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Leased Premises or any portion thereof.

(y) **Impositions.** All taxes including property taxes, assessments (including any special assessments, community facility district assessments or other payments or assessments owed under the Mello-Roos Community Facilities Act of 1982 (as amended)), water and sewer charges, charges for public utilities, excises, levies, license and permit fees and other charges that shall or may be assessed, levied or imposed during the Term by any Governmental Authorities upon the Leased Premises or any part thereof, including the buildings or improvements now or hereafter located thereon; provided, however, that the term “Impositions” shall not include any income tax, capital levy, estate, succession, inheritance, transfer or similar taxes of Lessor, or any franchise tax imposed upon any owner of the fee of the Leased Premises, or any income, profits or revenue tax, assessment or charge imposed upon the rent or other benefit received by Lessor under this Lease by any Governmental Authorities.
(z) **Insurance Requirements.** The requirements, whether now or hereafter in force, of any insurer or insurance carrier, any board of fire underwriters or any other company, bureau, organization or entity performing the same or similar functions, applicable to the Leased Premises and/or the Rental Development, or any portion thereof, to the extent so applicable.

(aa) **Investor.** GSB LIHTC Investor LLC, a Delaware limited liability company, its successors and assigns, the tax credit investor of the Lessee.

(bb) **LAUSD.** The Los Angeles Unified School District.

(cc) **Lease.** This Ground Lease.

(dd) **Lease Year.** A calendar year.

(ee) **Leased Premises.** That certain real property located in the City, as more particularly described on Exhibit A attached hereto and made a part hereof, together with all and singular rights, easements, licenses, privileges and appurtenances thereunto attaching or in any way belonging thereto.

(ff) **Legal Requirements.** All laws, statutes, codes, ordinances, orders, rules, regulations and requirements of all Governmental Authorities and the appropriate agencies, officers, departments, boards and commissions thereof, whether now or hereafter in force, applicable to Lessor, Lessee, the Leased Premises, the Rental Development, or any portion thereof, to the extent so applicable.

(gg) **Lessee.** Pueblo del Sol II Housing Partners, L.P., a California limited partnership

(hh) **Lessee's Estate.** Lessee’s leasehold interest in the Leased Premises acquired pursuant to this Lease and any fee or other interest in the Leased Premises acquired by Lessee hereafter.

(ii) **Lessor.** The Housing Authority of the City of Los Angeles, a public body, corporate and politic.

(jj) **Lessor’s Estate.** Lessor’s fee estate in the Leased Premises.

(kk) **LOMOD.** La Cienega LOMOD, Inc., a California nonprofit public benefit corporation.

(ll) **Low-Income Housing Tax Credit or LIHTC** refers to the credit available under Section 42 of the Internal Revenue Code of 1986, as amended.

(mm) **Management Agent.** The Person designated from time to time as “Management Agent” of all or any portion of the Rental Development under any management agreement entered into from time to time with Lessee.

(nn) **Managing General Partner.** LOMOD PDS LLC, a California limited liability company, the managing general partner of the Developer. The Managing General Partner shall obtain and maintain an organizational clearance certificate from the California Board of Equalization and LOMOD shall be the sole member of the Managing General Partner.
(oo) Memorandum of Lease. The memorandum of the Lease to be recorded against the Leased Premises in the official records of Los Angeles County in the form attached hereto as Exhibit B.

(pp) Mortgage. Any mortgage, deed of trust, security agreement or collateral assignment executed in connection with the Approved Financing encumbering Lessee’s Estate created hereunder as a leasehold mortgage lien.

(qq) Mortgagor. The holder, mortgagee, grantee or secured party under any Mortgage and its successors and assigns.

(rr) Net Cash Flow. Shall have the meaning given to the term “Net Cash Flow” in the Amended and Restated Partnership Agreement.

(ss) Net Cash Flow Payment Date. Shall have the meaning given to such term in Section 4.8 hereof.

(tt) New Lease. Shall have the meaning given to such term in Section 8.8 hereof.

(uu) Net Condemnation Award. The net amounts owed or paid to a Mortgagor or the Parties or to which a Mortgagor or either of the Parties may be or become entitled by reason of any Taking or pursuant to any agreement with any condemning authority which has been made in settlement of any proceeding relating to a Taking, less any costs and expenses incurred in collecting such award or payment.

(vv) Official Records. The official land records of Los Angeles County.

(ww) Operating Budget. Shall mean the annual operating budget for the Rental Development that sets forth the projected Operating Expenses for the upcoming year, that is subject to and shall be submitted for review and reasonable approval of the Lessor’s chief executive officer, or his designee, in his reasonable discretion, each year during the Term as set forth in Section 4.9 hereof.

(xx) Operating Expenses. Shall mean actual, reasonable and customary (for comparable rental housing developments in Los Angeles County) costs, fees and expenses directly incurred, paid, and attributable to the operation, maintenance and management of the Rental Development in a calendar year, including, without limitation, painting, cleaning, repairs, alterations, landscaping, utilities, refuse removal, certificates, permits and licenses, sewer charges, real and personal property taxes, assessments, insurance, security, advertising and promotion, janitorial services, cleaning and building supplies, purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings, fees and expenses of property management, fees and expenses of accountants, attorneys and other professionals, the cost of social services and other housing supportive services provided at the Rental Development, and other actual, reasonable and customary operating costs and capital costs which are directly incurred and paid by Lessee, but which are not paid from any reserve accounts for the Rental Development.

(yy) Paseo Area License. That certain unrecorded license agreement dated as of December 17, 2020 between Lessor and Lessee’s predecessor, Aliso Village II Housing
Partners, L.P., as assigned to Lessee, regarding the use, improvement, repair and maintenance of an area of the Leased Premises adjoining the neighboring LAUSD school site.

(zz) Purchase Option and Right of First Refusal. Collectively, the purchase option and the right of first refusal described in that certain Purchase Option and Right of First Refusal Agreement, by and between Lessee and Lessor, with respect to the Development. A memorandum of the Purchase Option and Right of First Refusal will be recorded in the Official Records concurrently with recordation of the Memorandum of Lease.

(aaa) Original Development. Shall have the meaning given to such term in the DDA.

(bbb) Party. Lessor or Lessee, as applicable. Lessor and Lessee shall be referred to collectively as the “Parties.”

(ccc) Permanent Loan Conversion. The conversion of the Bank Loan obtained by Lessee for the Rental Development from an interest-only construction phase, to an amortizing permanent phase. The Permanent Loan Conversion shall occur after Lessee completes the Rehabilitation and leases up the Rental Development.

(ddd) Person. An individual, partnership, corporation, limited liability company, trust, unincorporated association, or other entity or association.

(eee) Personal Property. Shall mean all tangible personal property now or hereafter owned by Lessee or any affiliate of Lessee, and situated, placed or installed on the Leased Premises or used solely in connection with the Leased Premises, including, but not limited to, trade fixtures, furniture, furnishings, signs, business equipment, and appliances, but excluding, however, the Improvements.

(ff) Post-Foreclosure Rent Restriction. Shall mean, following foreclosure or deed in lieu of foreclosure of Lessee’s interest in the Rental Development by any Mortgagee, the gross rent with respect to such unit in the Rental Development does not exceed thirty percent (30%) of the imputed income limitation applicable to such unit as calculated pursuant to 26 U.S.C. 42(g)(2). For purposes of this definition, the income imputed limitation applicable to any unit in the Rental Development shall be deemed to be eighty percent (80%) of area median income.

(ggg) Prime Rate. Shall mean the prime commercial lending rate as published and adjusted from time to time by the Wall Street Journal.

(hhh) RAD. Shall have the meaning in Recital E.

(iii) RAD Conversion. Shall mean all actions, approvals, agreements or documents required for the Original Development to convert to a development assisted by RAD, including, but not limited to, the termination of the HOPE VI documents governing the Original Development, the recordation of the RAD Use Agreement and execution of the RAD HAP Contract, and as agreed by the parties in the Financing Plan, the associated addition of the PBV HAP Contract to certain existing non-public housing units in the Rental Development, including, but not limited to, the RAD Conversion requirements set forth in Article 19 of this Lease.
(jjj) **RAD Conversion Documents.** Shall mean all documents and agreements required for the RAD Conversion.

(kkk) **RAD HAP Contract.** Shall mean the new Project-Based Voucher Rental Assistance Demonstration HAP Contract to be entered between Lessor and Lessee pursuant to the RAD Conversion.

(III) **RAD Use Agreement.** Shall mean the affordability restriction agreement, as amended from time to time, required to be recorded against the Rental Development Site in connection with the RAD Conversion.

(mmm) **Regulatory Agreements.** Collectively, the Tax Credit Regulatory Agreement, the RAD Use Agreement and the regulatory agreement executed by the Lessee in connection with the Bank Loan, and any other regulatory agreement reasonably determined to be necessary or advisable by Lessee (with the reasonable consent of Lessor) during the Term.

(nnn) **Rehabilitation.** Shall have the meaning given to such term in Recital G hereof.

(ooo) **Rent.** Shall have the meaning given to such term in Section 4.1 hereof.

(ppp) **Rental Development.** Shall have the meaning given to such term in Recital G hereof.

(qqq) **Residential Units.** The one hundred and seventy-six (176) multi-family residential units of the Rental Development.

(rrr) **Scope of Work.** Shall have the meaning given to such term in Section 3.1 hereof.

(sss) **State.** Shall mean the State of California.

(ttt) **Taking.** A taking during the Term hereof of all or any part of the Leased Premises and/or the Rental Development, or any interest therein or right accruing thereto, as a result of the exercise of the right of condemnation or eminent domain materially affecting the Leased Premises and/or the Rental Development, or any part thereof. A conveyance in lieu of or in anticipation of the exercise of any such right of condemnation or eminent domain shall be considered a Taking. Any such Taking shall be deemed to have occurred upon the earlier to occur of (a) the date on which the property, right or interest so taken must be surrendered to the condemning authority, or (b) the date title vested in a condemning authority or other party pursuant to any Taking.

(uuu) **Tax Credit Eligible Household.** A household that is eligible to rent and occupy a qualified low-income dwelling unit under Section 42 of the Internal Revenue Code, as amended, and any Legal Requirements of the State of California or TCAC relating to low-income housing tax credits.

(vvv) **Tax Credit Equity.** Investor equity funds in the approximate amount of ____________________ Dollars ($_________________), approximately ____________________ Dollars ($_________________) of which will be provided during the Rehabilitation, which amounts may be adjusted as required by the Amended and Restated Partnership Agreement.
(www) **Tax Credit Units.** All one hundred and seventy-six (176) Residential Units, which are to be restricted for use during the “compliance period” and any “extended use period” (as such terms are defined in Section 42 of the Internal Revenue Code, as same may be amended from time to time) solely by Tax Credit Eligible Households; provided, that one (1) of the Tax Credit Units may be occupied by a resident manager.

(xxx) **Tax Credit Regulatory Agreement.** The agreement with TCAC to be executed by Lessee and properly recorded in the Official Records, setting forth certain terms and conditions under which the Development will be operated.

(yyy) **TCAC.** The California Tax Credit Allocation Committee.

(zzz) **TCAC Lease Rider.** The lease rider required by TCAC as described in Section 18.3.

(aaaa) **Tenant(s).** Any tenant, sublessee or licensee of Lessee under any Tenant Lease(s).

(bbbb) **Tenant Lease(s).** Any lease or license agreement entered into by Lessee with residents of the Residential Units.

(cccc) **Term.** Shall have the meaning given to such term in Section 2.3 hereof.

(dddd) **Transfer.** Any sale, assignment, transfer, conveyance, encumbrance, mortgage, or hypothecation, in any manner or form, or any agreement to do any of the foregoing.

(eeee) **TRCC.** The Related Companies of California, LLC, a California limited liability company, an affiliate of the Administrative General Partner.

(ffff) **TRCLP.** The Related Companies, L.P. a New York limited partnership.

(gggg) **Work.** Shall mean Lessee’s performance of the Rehabilitation, and/or all alterations, additions, changes, replacements, installations, improvements, repairs, restorations, building, rebuilding, demolition, removal and other work which Lessee shall thereafter be required or permitted to do under the provisions of this Lease, as applicable to the context in which such term is used.

**Section 1.2 Exhibits.** The Exhibits referred to in this Agreement and attached hereto are:

Exhibit A: Leased Premises  
Exhibit B: Memorandum of Lease

**Section 1.3 Effect of Documents.**

(a) The Original Ground Lease is terminated as of the Commencement Date and is of no further force or effect; provided, however, that, notwithstanding the foregoing, each and every indemnity set forth in the Original Ground Lease and the other HOPE VI Documents shall
remain operative and in full force and effect with respect to events, acts, omissions and occurrences arising prior to the date hereof.

(b) This Lease, the DDA and the Acquisition Loan Documents shall all govern the rights and obligations of the Parties until the expiration of the Term of the DDA (as defined in the DDA) or other termination of the DDA ("DDA Termination"), each of which shall be interpreted to have full force and effect to the greatest extent possible; provided, however, that in the event of any inconsistency between this Lease, the DDA, and/or the Acquisition Loan Documents before DDA Termination, the DDA shall control as to issues of development and construction pertaining to the Rehabilitation. After DDA Termination, this Lease and the Acquisition Loan Documents shall exclusively govern the rights and obligations of the Parties with respect to the Leased Premises and the Development, except where the DDA expressly provides that certain provisions shall survive its termination. After termination of the Acquisition Loan Documents, this Lease shall exclusively govern the rights and obligations of the Parties with respect to the Leased Premises and the Development, except where the Acquisition Loan Documents expressly provide that certain provisions shall survive their termination.

ARTICLE 2
LEASE OF THE LEASED PREMISES

Section 2.1 Leased Premises. Subject to the terms hereof and in consideration of the covenants of payment and performance stipulated herein, Lessor has leased, demised and let, and by these presents does hereby lease, demise and let unto Lessee, and Lessee hereby leases and takes from Lessor, the Leased Premises.

Section 2.2 Reservation of Oil, Gas and Mineral Rights. Notwithstanding Section 2.1 hereof, Lessor reserves to itself the sole and exclusive right to prospect for, drill for, produce, remove and take by any feasible means any oil, gas, or other hydrocarbon or mineral substances and accompanying fluids, including all geothermal resources from the Leased Premises, from below the depth of five hundred feet (500') from the surface of the Leased Premises, including the rights to slant drill, maintain subsurface pressures, and utilize subsurface storage space for natural substances. This reservation does not include the right of entry from surface access, nor any other right not herein expressly reserved. Lessor covenants that Lessee shall not be disturbed in its quiet enjoyment and peaceful use of the Leased Premises by the aforementioned drilling and production activities, and Lessor agrees to indemnify Lessee and hold it harmless for any damages proximately caused by such activities.

Section 2.3 Term. Unless sooner terminated pursuant to the provisions hereof, this Lease shall continue in full force and effect for a term ("Term"), commencing on the Commencement Date and expiring on the sixty-fifth (65th) anniversary of the Commencement Date.

Section 2.4 Use. Lessee shall, throughout the Term, continuously use the Leased Premises and the Rental Development only to conduct the Rehabilitation and to operate, market for lease and lease the Residential Units, and such other uses as are reasonably and customarily attendant to such uses, subject to the Regulatory Agreements and this Lease, including, but not limited to, the restrictions and requirements set forth in Article 3 hereof. The Rental Development shall be used, operated and devoted for the entire terms for use as low-income rental housing as required in this Lease and the Regulatory Agreements, and for no other use or purpose. Further, Lessee agrees:
(a) not to use the Leased Premises for any disorderly or unlawful purpose, but only to provide housing and related services for residents;

(b) to use its best commercially reasonable efforts to prevent any action by any Tenants from committing or maintaining any nuisance or unlawful conduct on or about the Leased Premises;

(c) to use its best commercially reasonable efforts to prevent any action by any Tenant that would cause Lessee to violate any of the covenants and conditions of this Lease with respect to the Rental Development;

(d) upon reasonable prior notice from Lessor, to take reasonable action, if necessary, to abate any action by any Tenant that would cause Lessee to materially violate this Lease; and

(e) subject to the rights of Tenants, to permit Lessor and its agents upon not less than forty-eight (48) hours’ prior written notice to inspect the Leased Premises or any part thereof (subject to the rights of Tenants) at any reasonable time during the Term.

Section 2.5 Possession. Lessor agrees to and shall provide possession of the Leased Premises, or shall cause possession of the Leased Premises to be provided, to Lessee on the Commencement Date.

Section 2.6 Memorandum of Lease. Concurrent with the execution of this Lease, the Parties shall execute and acknowledge the Memorandum of Lease, in the form attached hereto as Exhibit B, which Memorandum of Lease Lessee shall cause to be immediately recorded in the Official Records at Lessee’s expense.

ARTICLE 3
THE REHABILITATION

Section 3.1 Rehabilitation. Subject to force majeure delays, Lessee shall cause the commencement of the Rehabilitation on or before the date set forth in the DDA. Lessee shall cause the Rehabilitation to be conducted in substantial compliance with the DDA, including the Schedule of Performance attached thereto and the Scope of Work for the Rental Development that has been approved by Lessor pursuant to the DDA (the “Scope of Work”). Subject to force majeure delays, Lessee shall cause the Rehabilitation to be completed by the date set forth in the DDA, or with Lessor’s prior written consent such later date as may be permitted by TCAC. The Rehabilitation shall be conducted in a good and worker-like manner, in compliance with all applicable Legal Requirements, including, without limitation, the requirements of the Approved Financing. Lessee shall take no action to effectuate any material amendments, modifications or alterations to the Scope of Work unless Lessor has approved such, in writing and in advance, in accordance with the DDA.

Section 3.2 No Liens. Lessee shall not have any right, authority or power to bind Lessor, Lessor’s Estate or any other interest of Lessor in the Leased Premises, for any claim for labor or material or for any other charge or expense, lien or security interest incurred in connection with the Rehabilitation or any change, alteration or addition thereto. Lessee shall not have any right to encumber Lessee’s Estate without the written consent of Lessor, other than for Approved Financing and the Regulatory Agreements, utility easements and other customary easements necessary and incidental to the Rehabilitation and operation of the Rental
Development, which easements are subject to the approval of Lessor, which shall not be unreasonably withheld.

The Lessee shall promptly pay and discharge all claims for work or labor done, supplies furnished or services rendered at the request of the Lessee and shall keep the Leased Premises free and clear of all mechanics’ and materialmen’s liens in connection therewith. If any claim of lien is filed against the Leased Premises or a stop notice is served on the Lessor or other third party in connection with the Rehabilitation or operation of the Rental Development or any change, alteration or addition thereto, then Lessee shall, within thirty (30) days after such filing or service, either pay and fully discharge the lien or stop notice, effect the release of such lien or stop notice by delivering to the Lessor a surety bond in sufficient form and amount, or provide the Lessor with other assurance reasonably satisfactory to the Lessor that the claim of lien or stop notice will be paid or discharged, provided that the Lessor provides written notice of such claim of lien or stop notice to the Lessee promptly upon receipt by the Lessor.

If Lessee fails to discharge any lien, encumbrance, charge, or claim in the manner required in this Section, then in addition to any other right or remedy, the Lessor may (but shall be under no obligation to), after delivery of written notice to Lessee and Lessee’s failure to cause such discharge in accordance herewith within thirty (30) days of such delivery, discharge such lien, encumbrance, charge, or claim at Lessee’s expense and, Lessee shall pay to the Lessor as Additional Rent any such amounts expended by the Lessor within thirty (30) days after written notice is received from the Lessor of the amount expended. Alternately, the Lessor may require Lessee to immediately deposit with the Lessor the amount necessary to satisfy such lien or claim and any costs, pending resolution thereof. The Lessor may use such deposit to satisfy any claim or lien that is adversely determined against Lessee.

Lessee shall file a valid notice of cessation or notice of completion upon cessation of the Rehabilitation for a continuous period of thirty (30) days or more, except in the event such cessation of construction is caused by adverse weather conditions, and shall take all other reasonable steps to forestall the assertion of claims of lien against the Leased Premises. The Lessor shall have the right to post or keep posted on the Leased Premises, or in the immediate vicinity thereof any notices of non-responsibility for any construction, alteration or repair of the Leased Premises by Lessee. Lessee authorizes the Lessor, but without any obligation, to record any notices of completion or cessation of labor, or any other notice that the Lessor deems necessary or desirable to protect its interest in the Leased Premises.

Section 3.3 Permits, Licenses and Easements. Lessee shall be responsible for obtaining and arranging the payment for any and all permits, licenses, easements and other authorizations required by any Governmental Authority with respect to the Rehabilitation, shall not commence the Rehabilitation without any and all required permits, licenses, easements and other authorizations required by any applicable Governmental Authority, and shall grant or cause to be granted all permits, licenses, easements and other governmental authorizations that are necessary or helpful for electric, telephone, gas, cable television, water, sewer, drainage, access and such other public or private utilities or facilities as may be reasonably necessary or desirable in connection with the operation of the Rental Development. Lessee shall be entitled, without separate payment to Lessor for tap or connection fees, to tap into the existing lines, facilities and systems of applicable electric, gas, cable, water, sewer, sewer treatment and other utilities serving the Leased Premises, provided Lessee remains responsible for payment of such fees therefor as are required by the City, County of Los Angeles or applicable agency thereof. Lessor agrees to use Lessor’s reasonable efforts to assist Lessee to obtain waiver, reduction or deferral, as applicable, of all fees and other charges otherwise
payable in connection with obtaining any permits, licenses, easements and other authorizations required by any Governmental Authority with respect to any construction or other work to be performed on the Leased Premises in connection with the Rehabilitation. Lessee covenants and agrees to comply with the terms and conditions of: (i) all covenants, conditions, restrictions and easements that are recorded against the Leased Premises and/or the Rental Development; provided, however, the foregoing shall not apply to covenants, conditions, restrictions and easements that are recorded against the Leased Premises and/or the Rental Development after the Commencement Date unless the terms thereof have been approved by Lessee; (ii) the Field Encroachments License; and (iii) the Paseo Area License.

Section 3.4 Title to Original Development.

(a) During the Term. Concurrently herewith, Lessee shall acquire fee title in the Original Development from Interim Lessee. Notwithstanding any provision in this Lease to the contrary, the Original Development and all alterations, additions, equipment and fixtures built, made or installed by Lessee in, on, under or to the Leased Premises or the Original Development, including, without limitation, as part of the Rehabilitation, shall be the sole property of Lessee in fee simple title until the expiration of the Term or other termination of this Lease; provided, however, that Lessee shall have no right to destroy, demolish or remove the Original Development except as specifically provided for in this Lease, in the DDA or as approved in writing by Lessor.

(b) After the Term. Upon the expiration of the Term or other termination of the Lease, the Rental Development and all alterations, additions, equipment and fixtures shall be deemed to be and shall automatically become the property of Lessor, without cost or charge to Lessor. Lessor agrees that Lessee, at any time prior to the ninetieth (90th) day after the expiration or other termination of this Lease, may remove from the Leased Premises any and all equipment which Lessee has furnished for maintenance purposes or for the use of the Management Agent, provided that Lessee shall repair any physical damage to the Leased Premises caused by the removal of such equipment and property. Lessee agrees to execute, at the request of Lessor at the end of the Term, a quitclaim deed of the Rental Development to Lessor to be recorded at Lessor's option and expense and any other documents that may be reasonably required by Lessor or Lessor’s title company to provide Lessor title to the Leased Premises and the Rental Development free and clear of all monetary liens and monetary encumbrances not caused or agreed to by Lessor.

(c) Mortgagee Provisions. In the event of any default by Lessee under the Lease or any Approved Financing Documents, Lessor will allow Mortgagee to enforce its lien and security interest in Lessee’s personal property located at the Leased Premises and Lessor will allow Mortgagee to assemble and remove all of Lessee’s personal property located on the Leased Premises.

Section 3.5 Benefits of Rental Development During Term. Lessor acknowledges and agrees that any and all depreciation, amortization and tax credits for federal or state tax purposes relating to the Rental Development and any and all additions thereto, substitutions therefor, fixtures therein and other property relating thereto shall be deducted or credited exclusively to Lessee during the Term and for the tax years during which the Term begins and ends.

Section 3.6 Regulatory Agreements. The Lessee shall, at all times throughout the Term, comply with all applicable requirements of the Regulatory Agreements as required herein.
including, but not limited to, as described in Article 19. Lessee will cause all Tax Credit Units to be operated and maintained in accordance with the Tax Credit Regulatory Agreement until its expiration, and Lessee shall so operate and maintain such Tax Credit Units for the term set forth in the Tax Credit Regulatory Agreement, unless such Tax Credit Regulatory Agreement is released from the Leased Premises pursuant to a foreclosure upon a Mortgage; provided, however, (i) that in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the U.S. Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancy or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure, and (ii) following foreclosure or deed in lieu of foreclosure of a Mortgage, the Rental Development shall thereafter be subject to the Post-Foreclosure Rent Restriction. Following foreclosure or deed in lieu of foreclosure of Lessee’s interest in the Rental Development by any Mortgagor, the gross rent with respect to a unit in the Rental Development shall not exceed thirty percent (30%) of the imputed income limitation applicable to such unit as calculated pursuant to 26 U.S.C. 42(g)(2). For purposes of this definition, the income imputed to any unit in the Rental Development shall be deemed to be eighty percent (80%) of area median income.

Section 3.7 Equal Opportunity. During the Rehabilitation, Lessee shall not discriminate on the basis of race, color, creed, religion, sex, sexual orientation, age, disability, marital status, condition of Acquired Immune Deficiency Syndrome (AIDS) or AIDS related complex, national origin or ancestry in the hiring, firing, promoting or demoting of any person engaged in the rehabilitation work. Lessee will comply with, to the extent required by law, the purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, which is to “ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons” and will comply with the implementing regulations at 24 CFR Part 135 or any applicable successor regulations.

Section 3.8 Accessibility Requirements. To the extent required by law, the Rehabilitation and the operation of the Rental Development shall meet the program accessibility requirements of the RAD Conversion, including Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8 or any applicable successor regulation, and including the Americans with Disabilities Act and the Fair Housing Act and their implementing regulations (collectively, the “Accessibility Requirements”). In addition, the Lessee shall ensure that the percentage of accessible dwelling units complies with the requirements of subpart C of Section 504 of the Accessibility Requirements or any applicable successor regulation. The Lessee has retained an architect to prepare a survey of the Rehabilitation to determine its current compliance with the Accessibility Requirements and, upon receipt of such survey, shall deliver a copy thereof to the Lessor. To the extent that the architect conducting the review of current compliance with the foregoing Accessibility Requirements identifies corrections required, if any, for the Rehabilitation to be in compliance with the Accessibility Requirements in order to comply with applicable law, the Lessee shall revise the Scope of Work to include such corrections, if any, identified in the architect’s report.

Section 3.9 State Prevailing Wages and Davis-Bacon Wages. In accordance with Section 6.8 of the DDA, the Lessee shall pay and assure that all contractors and subcontractors working on the Rehabilitation pay the general prevailing rate of per diem wages, as determined by the U.S. Labor Department, pursuant to the federal Davis-Bacon Act and implementing rules
and regulations, and shall comply with all State prevailing wage requirements. The Lessee shall comply with all applicable reporting and recordkeeping requirements.

Section 3.10 Lessor Review. The Lessee shall be solely responsible for all aspects of Lessee’s conduct in connection with the Rehabilitation, including, but not limited to, the quality and suitability of the specifications, the supervision of construction work, and the qualifications, financial condition, and performance of all engineers, contractors, subcontractors, suppliers, consultants, and property managers. Any review or inspection undertaken by the Lessor with reference to the Rehabilitation, in accordance with the terms of this Agreement, is solely for the purpose of determining whether the Lessee is properly discharging its obligations to the Lessor, and should not be relied upon by the Lessee or by any third parties as a warranty or representation by the Lessor as to the quality of the design or performance of the Rehabilitation.

ARTICLE 4
RENTS; ANNUAL STATEMENT; OPERATING BUDGET

Section 4.1 Rent. Lessee shall pay Lessor annual rent in the amount of Fifty Thousand Dollars ($50,000.00) each year during the entire Term, which amount shall increase annually by the Consumer Price Index (the “Rent”). Notwithstanding anything to the contrary contained herein, Rent shall be payable only out of Net Cash Flow in the priority set forth in the Amended and Restated Partnership Agreement. To the extent Net Cash Flow is insufficient in any fiscal year to pay the Rent in full, Lessee shall not be in default hereunder, provided the unpaid portion of such Rent shall accrue with interest at a rate equal to ___% per annum and shall be paid only out of the net proceeds of a sale or refinancing of the Rental Development.

Section 4.2 Net Cash Flow Payments.

(a) Net Cash Flow. Rent shall be paid in arrears and shall be paid on the Net Cash Flow Payment Date (as such term is defined in Section 4.8), with the first payment due on the first Net Cash Flow Payment Date following the Commencement Date; provided, that Lessor expressly acknowledges that Lessee intends to use income generated by the Rental Development during the Rehabilitation to pay for a portion of the costs of such Rehabilitation.

(b) Records. Lessee shall keep, at the Leased Premises or at its primary office in Southern California, full and accurate books of account, records, cash receipts and other pertinent data showing the Net Cash Flow, if applicable, relating to each calendar year, for a period of at least three (3) years following such calendar year. Lessor shall have the right to inspect and audit such materials pursuant to Section 4.2(c) below. If any audit by Lessor reveals that Lessee has underpaid any amounts under Section 4.2(a), then Lessee shall promptly pay the amount of the underpayment to Lessor, together with interest thereon at the Default Rate. If the underpayment exceeded three percent (3%) of the correct amount, the Lessee shall also pay to Lessor the reasonable cost of such audit.

(c) Inspection of Books and Records. Lessor shall have the right, at its own expense from time to time, upon at least five days’ prior notice to Lessee, to inspect and audit the Lessee’s books and records regarding the Leased Premises as pertinent to the purposes of this Lease and to ascertain the accuracy of all payments to be made to Lessor under this Lease. Lessor agrees to use its best efforts to conduct such inspections and audits in an orderly, non-disruptive manner.
Section 4.3  Additional Rents.  In addition to the Rent specified in Section 4.1 hereof, any and all of the payments that Lessee is required to make hereunder to or for the benefit of Lessor shall be deemed to be “Additional Rents.” All such Additional Rents shall be payable in accordance with the provisions of the Sections of this Lease specifying the payment of such Additional Rents. The Rent specified in Section 4.1 hereof and Additional Rents payable hereunder shall be deemed “Rents” reserved by Lessor, and any remedies now or hereafter given to Lessor under the laws of the State of California for collection of the Rents shall exist in favor of Lessor, in addition to any and all other remedies specified in this Lease.

Section 4.4  Payments.  All Rents or other sums, if any, due Lessor hereunder shall be paid by Lessee to Lessor at the address of Lessor set forth hereinafter for notices, or to such other person and/or at such other address as Lessor may direct by written notice to Lessee, without notice or demand, and without abatement, deduction or set off.

Section 4.5  No Accrued Rent.  As of the Commencement Date, no Rents or any other payments of any nature are due and/or owing to Lessor or any other party pursuant to this Lease.

Section 4.6  Delinquent Payments.

(a)  Interest.  If Lessee shall neglect or fail to pay any Rents before or upon the date which is ten (10) days after Lessee’s receipt of written notice of such failure to pay when the same is due and payable, Lessee shall pay to Lessor, in addition to such unpaid amounts, interest upon such unpaid amounts from the due date thereof to the date of payment at the Default Rate (provided, however, that for purposes of this Section 4.6(a), such notice shall be required to be given twice in any twelve (12) month period, and thereafter during such twelve (12) month period, interest shall apply to all payments delinquent by more than ten (10) days).

(b)  Maximum Charge.  Notwithstanding the foregoing provisions of Section 4.6(a), in no event shall the amounts charged under Section 4.6(a) exceed the maximum amount which may be lawfully charged by Lessor under applicable Legal Requirements. In the event that the amounts provided for under Section 4.6(a) shall exceed such lawful charge, then the amounts payable under Section 4.6(a) shall be reduced to the maximum amount of such lawful charge.

Section 4.7  Net Lease and Assumption of Risk.  This Lease is intended to be, and shall be, construed as an absolute net lease, whereby under all circumstances and conditions (whether now or hereafter existing or within the contemplation of the Parties), the Rents provided for herein shall be absolutely net to Lessor over and above all costs, expenses and charges of every kind or nature whatsoever related to the Leased Premises or the Rental Development, including, without limitation, taxes, utility costs, insurance premiums, operating expenses, costs of repairs, maintenance, restorations and replacements of the Rental Development, except as may otherwise be expressly set forth herein. All such costs, expenses and charges which may arise or accrue during the Term shall be paid by Lessee, and Lessee shall indemnify, defend, protect and hold Lessor harmless from and against any and all claims, liabilities, losses, damages, expenses and costs (including reasonable attorneys’ fees), obligations and charges of every kind and nature whatsoever which arise or accrue, at any time or times during the Term in respect of or in connection with the Leased Premises, the Rental Development, the Rehabilitation or the ownership, leasing, operation, management, maintenance, repair, rebuilding, restoration, use or occupation thereof or any portion thereof,
Section 4.8 Annual Statement. Within ninety (90) days after the end of each calendar year but in no event later than April 1 of each year, Lessee shall prepare and deliver to Lessor a statement (the “Annual Statement”), in form and containing such details as are reasonably satisfactory to Lessor, showing the total amount of Net Cash Flow received during such calendar year, itemizing all revenues and expenditures used to compute Net Cash Flow, and specifying the total amount of the annual Rent due pursuant to Section 4.1, if any. Lessee shall pay any required Rent to Lessor on the date that it delivers the Annual Statement to Lessor (the “Net Cash Flow Payment Date”). Concurrent with delivery of each Annual Statement, Lessee shall also deliver to Lessor the audited financial statements of Lessee, as of the end of the prior year, with the report of Lessee’s accountants thereon stating that the audit of such financial statements has been made in accordance with generally accepted audit standards.

Section 4.9 Operating Budget. Not less than thirty (30) days prior to the completion of the Rehabilitation, and not less than annually thereafter on or before November 1 of each year, Lessee shall submit to Lessor on not less than an annual basis an Operating Budget for the Rental Development, which budget shall be subject to the written approval of Lessor’s president/chief executive officer or his designee (the “Executive Officer”), which approval shall not be unreasonably withheld, conditioned or delayed. The proposed Operating Budget shall include a description of anticipated repairs and capital replacements to be undertaken during such year. The Executive Officer’s discretion in review and approval of each proposed annual Operating Budget shall include, without limitation, authority to review individual categories, line items, and accounts, such as the following: extent, type, and amount for social services at or associated with the Rental Development; existing balance(s) in and proposed deposits to any reserve accounts to evaluate shortfalls and/or cumulative unexpended/unencumbered deposits; reasonableness and conformity to prevailing market rates in Los Angeles County and rates and fees for goods and services to be provided to Lessee for the Rental Development.

ARTICLE 5
TAXES AND OTHER IMPOSITIONS; UTILITIES

Section 5.1 Payment of Impositions. Prior to delinquency, Lessee will pay all of the Impositions, except that if any Imposition that Lessee is obligated to pay in whole or in part is permitted by law to be paid in installments, Lessee may pay or cause to be paid such Imposition (or its proportionate part thereof) installments prior to delinquency. Upon the written request of Lessor, Lessee shall exhibit and deliver to Lessor evidence satisfactory to Lessor of payment of all Impositions. During the first and last years of the Term, all Impositions that shall become payable during each calendar, fiscal, tax or Lease Year, as applicable, shall be ratably adjusted on a per diem basis between Lessor and Lessee in accordance with the respective portions of such calendar, fiscal, tax, assessment or Lease Year during the Term. If any special assessments are payable in installments, Lessee shall pay only those installments that are due and for which the delinquency date occurs during the Term for periods occurring during the Term. The Parties acknowledge that the Lessee intends to apply for an exemption for ad valorem taxes under Section 214(g) of the California Revenue and Taxation Code.
Section 5.2  Contested Taxes and Other Impositions. Lessee, at its sole cost and expense, in its own name or in the name of Lessor, may contest the validity or amount of any Imposition relating to all or any portion of the Leased Premises, in which event the payment thereof may be deferred during the pendency of such contest, if diligently prosecuted.

(a) As may be necessary or desirable, Lessor or Lessee, as applicable, upon the request of the other party, shall use its best reasonable efforts to assist in any such proceeding to contest the validity or amount of any Imposition.

(b) Nothing contained in this Section 5.2, however, shall be construed to allow any such contested Imposition to remain unpaid for a length of time which shall permit the Leased Premises, or any part thereof, to be sold by any Governmental Authorities for the nonpayment of such Imposition. Lessee shall promptly furnish Lessor copies of all notices, appeals, pleadings, motions and orders in any proceedings commenced with respect to such contested Imposition. During such contest, Lessee shall (by the payment of such disputed taxes, assessments, or charges, if necessary) prevent any advertisement of tax sale, any foreclosure of, or any divesting thereby of Lessor's title, reversion or other interest in or to the Leased Premises and the Rental Development.

Section 5.3  Valuation Assessment. If applicable, Lessee, at its expense, may attempt to obtain a lowering of the assessed valuation of the Leased Premises for any year for the purpose of reducing taxes thereon.

Section 5.4  Failure to Pay Impositions. If Lessee shall fail to pay any Impositions before the same become delinquent, or as otherwise required pursuant to Section 5.2 hereof, Lessor, at its election, may pay such Impositions (but shall not be obligated to pay same), together with any interest and penalties due thereon, and the amount so paid by Lessor shall be repayable to Lessor by Lessee within sixty (60) days after Lessor's demand therefor.

Section 5.5  Utilities. Lessee shall pay all utilities used, rendered or supplied upon or in connection with the Rental Development including, but not limited to, all charges for gas, electricity, light, heat or power, all telephone and other communications services, all water rents and sewer service charges, and all sanitation fees or charges levied or charged against the Leased Premises during the Term; provided, however, that Lessee shall have no responsibility hereunder for the payment of utilities supplied by the respective providers directly to Tenants for such Tenants' use in connection with the occupancy of their respective residential units. Lessor shall have no responsibility for the payment of utility costs.

ARTICLE 6
INSURANCE

Section 6.1  Lessee's Insurance. During the Term, Lessee shall keep and maintain in force, at no cost or expense to Lessor, the following insurance, all of which shall be provided by companies and/or agencies approved to do business in the State of California, provided, however, that all of the following requirements shall be subject to the terms and provisions of the Approved Financing Documents, and where there is a conflict between the requirements below and the requirements in the Approved Financing Documents, the Approved Financing Documents shall govern:

(a)  Leased Premises Insurance. “All risk” insurance covering all risks of physical loss or damage to the Rental Development, with liability limits of not less than one
hundred percent (100%) of the “full replacement value” thereof, which insurance shall be
provided by Lessee upon Closing. Such policies shall be broad form and shall include, but shall
not be limited to, coverage for fire, extended coverage, vandalism, malicious mischief and
storm. Perils customarily excluded from all risk insurance, e.g., earthquake and flood, may be
excluded. The term “full replacement value” shall exclude the cost of excavation, foundations
and footings.

(b) General Liability Insurance. Commercial general liability and automobile
liability insurance, covering loss or damage resulting from accidents or occurrences on or about
or in connection with the Rental Development or any work, matters or things under, or in
connection with, or related to this Lease, with personal injury, death and property damage
combined single limit liability of not less than Five Million Dollars ($5,000,000) for general
liability and One Million Dollars ($1,000,000) for automobile liability for each accident or
occurrence and an aggregate limit of not less than Ten Million Dollars ($10,000,000) for general
liability and Three Million Dollars ($3,000,000) for automobile liability. Coverage under any such
comprehensive policy shall be broad form and shall include, but shall not be limited to,
operations, contractual, elevators, owner’s and contractor’s protective, products and completed
operations, and the use of all owned, non-owned and hired vehicles.

(c) Workers’ Compensation Insurance. Lessee shall carry or cause to be
carried Workers’ Compensation insurance with limits as required by the State of California and
Employer’s Liability limits of One Million Dollars ($1,000,000) for bodily injury by accident and
One Million Dollars ($1,000,000) per person and in the annual aggregate for bodily injury by
disease covering all persons employed by Lessee in connection with the Rental Development
and with respect to whom death, bodily injury, or sickness insurance claims could be asserted
against Lessor or Lessee.

Section 6.2 General Requirements. All policies described in Section 6.1 shall include
Lessor and Lessee, together with Mortgagees, as named insureds, as their respective interests
may appear. All policies described in Section 6.1 shall contain (a) the agreement of the insurer
to give Lessor and Mortgagees, as applicable, at least thirty (30) days’ notice prior to
cancellation (including, without limitation, for nonpayment of premium) or any material change in
said policies; (b) an agreement that such policies are primary and noncontributing with any
insurance that may be carried by Lessor; (c) a provision that no act or omission of Lessee shall
affect or limit the obligation of the insurance carrier to pay the amount of any loss sustained; (d)
a waiver by the insurer of all rights of subrogation against Lessor and its authorized parties in
connection with any loss or damage thereby insured against; and (e) terms providing that any
loss covered by such insurance may be adjusted with Lessor and Lessee, but shall be payable
to the holder of a Mortgage, who shall agree to receive and disburse all proceeds of such
insurance, subject to the duty of Lessee to repair or restore, as set forth in Sections 11.1 and
11.2 hereof.

Section 6.3 Evidence of Insurance. Certificates of insurance for all insurance
required to be maintained by Lessee prior to Closing under this Article 6 shall be furnished by
Lessee to Lessor on or before the date of this Lease. Lessor reserves the right to require
complete, certified copies of all required insurance policies, including endorsements
demonstrating the coverage required by this Lease at any time.

Section 6.4 Failure to Maintain. If Lessee fails to maintain such insurance, Lessor, at
its election and after three (3) days written notice to Lessee, may procure such insurance as
may be necessary to comply with the above requirements (but shall not be obligated to procure same), and Lessee agrees to repay to Lessor as Additional Rent the cost of such insurance.

Section 6.5 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII or such other rating as may be reasonably acceptable to Lessor.

ARTICLE 7
MAINTENANCE, ALTERATIONS, REPAIRS AND REPLACEMENTS

Section 7.1 Maintenance of Leased Premises. During the Term at Lessee’s sole cost and expense, Lessee shall keep and maintain the Leased Premises, the Rental Development, and all appurtenances thereunto belonging, in good and safe order, condition and repair. In addition, all maintenance and repair of the Residential Units shall conform and comply with the Legal Requirements affecting the Leased Premises. Lessee shall notify the Management Agent in writing if Lessee discovers or is notified of any water damage to, or mold within, any Residential Unit or common space within the Rental Development.

Section 7.2 Alterations to Leased Premises. Following the Rehabilitation, Lessee may make any additions, alterations or changes (sometimes collectively referred to herein as “Alterations”) in or to the Rental Development subject, however, to the following conditions:

(a) No Alterations shall be made that are likely to materially impair the structural soundness of the Rental Development;

(b) No Alterations of the Leased Premises (other than roof repair or replacement) shall be undertaken which have a cost greater than Two Hundred Fifty Thousand Dollars ($250,000), or demolition of any portion of the Development, without first presenting to Lessor complete plans and specifications therefor and obtaining Lessor’s written consent thereto (which consent shall not unreasonably be withheld so long as, in Lessor’s judgment, such Alterations will not violate the Legal Requirements, this Lease, the Regulatory Agreements, or impair the value of the Rental Development);

(c) No Alterations shall be undertaken until Lessee shall have procured, to the extent the same may be required from time to time, all permits and authorizations of all applicable Governmental Authorities, all required consents of Mortgagees, and the consent of Lessor if required pursuant to subsection (b), above, if applicable. Lessor shall join in the application for such permits or authorizations whenever such action is necessary or helpful and is requested by Lessee, and shall use Lessor’s reasonable best efforts to obtain such permits or authorizations; and

(d) Any Alterations shall be performed in good and worker-like manner using new materials of the same or better quality as the original Rental Development, and in compliance with the Regulatory Agreements, all applicable Legal Requirements and all applicable Insurance Requirements.

Section 7.3 Indemnifications. Notwithstanding any other provision of this Lease to the contrary, Lessee hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Lessor) Lessor, its commissioners, officers, directors, agents and employees 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 attorneys’ fees and expenses (collectively “claims”), arising from or relating to Lessee’s obligations under this Lease, and the Rehabilitation or operations of the Rental Development, except to the extent caused by (i) the gross negligence or willful misconduct of Lessor, any of its commissioners, officers, directors, affiliates, agents or employees, or (ii) an act or omission that occurred prior to the Commencement Date.

In addition, if any contractor or subcontractor which performed preconstruction work or any construction work for Lessee or Lessee’s affiliates during the Rehabilitation shall assert any claim against Lessor on account of any damage alleged to have been caused by reason of acts of negligence of Lessee or Lessee’s affiliates, their members, partners, officers, directors, affiliates, agents or employees, or their construction contractors, Lessee shall defend at its own expense any suit based upon such claim; and if any judgment or claim against Lessor shall be allowed, Lessee shall pay or cause to be paid or satisfied such judgment or claim and pay all costs and expenses in connection therewith.

The liability of Lessee under this Section 7.3 shall not be limited by any provisions or limits of insurance set forth in this Lease. This indemnity shall survive the termination of this Lease.

Section 7.4 Management. Lessee shall, at all times, keep the Leased Premises in good condition and repair and shall use best efforts to keep the Development fully leased, all in accordance with this Lease and the DDA. Lessee shall (a) carefully and efficiently operate, lease and manage the Leased Premises; (b) maintain separate books and records for the Leased Premises; (c) timely collect all rents, and pay and discharge all costs, expenses, liabilities and obligations of or relating to the Leased Premises; (d) use commercially reasonable efforts to operate and maintain the Leased Premises substantially in accordance with the Operating Budget approved by Lessor pursuant to Section 4.9; (e) maintain such reserves as may be required by the Mortgagees; and (f) timely furnish Lessor with accounting documents and other information regarding the Rental Development and the operation thereof as may be reasonably required by Lessor.

Section 7.5 Delegation of Management Duties.

(a) The Leased Premises shall be managed by the Management Agent approved by Lessor pursuant to the DDA, the Acquisition Loan Documents or this Lease, as applicable. Each management contract relating to the Leased Premises shall provide that it may be terminated by Lessor at any time after the termination of this Lease upon thirty (30) days’ notice to the Management Agent. All service and supply contracts shall also by their terms be terminable by Lessor at any time after the termination of this Lease upon thirty (30) days’ notice. Lessee shall not enter into any contract requiring payment for services or supplies in excess of that ordinarily paid for such services or supplies by the operators of comparable housing projects in Southern California. Lessor’s approval of any management agent in accordance with the DDA shall not be construed as a representation, endorsement, or warranty by Lessor as to the reputation, ability or qualifications of the same.

(b) Notwithstanding Section 7.5(a) above, at any time following the fifth anniversary of Permanent Loan Conversion, Lessor or its Affiliate (as defined in the DDA) (in either case, the “Authority Manager”) shall have the option to take over property management of the Rental Development if (i) the Authority Manager has obtained the written approval of the
Investor and the lenders of the Approved Financing, (ii) the Authority Manager has obtained the written approval of TRCC, and (iii) the Authority Manager has issued all guaranties and indemnities required by the Investor, the lenders of the Approved Financing and any other party with respect to the Rental Development. TRCC’s form of Management Agreement will be used for all property managers, including, if applicable, the Authority Manager.

(c) The annual operating budget for the Rental Development shall include a line item for social services in the amount of $116,711, which amount shall be subject to an annual increase equal to 3%.

Section 7.6 Management and Operation of the Residential Units.

(a) Lessee shall be responsible, at its sole cost and expense, for the repair and maintenance of the Residential Units in full compliance with this Lease, the DDA, the Acquisition Loan Documents, and all Legal Requirements (including, without limitation, any applicable U.S. Department of Housing and Urban Development (“HUD”) regulations and guidelines applicable to the RAD Units and PBV Units), and for paying all costs relating to such Residential Units (including, without limitation, taxes and insurance). Lessor shall have the right to inspect, monitor, and audit the operations of Lessee (including, but not limited to, evaluating housing quality standards and the tenant selection process) with respect to the operation and maintenance of the Residential Units in its capacity as contract administrator for HUD of any PBV HAP Contract or RAD HAP Contract, and Lessee shall cooperate fully with respect to such activities by Lessor (including, without limitation, providing Lessor with such information regarding the operation and maintenance of the Residential Units as may reasonably by requested by Lessor).

(b) On or prior to the date hereof, Lessee shall prepare for Lessor’s reasonable approval the Property Management and Re-Occupancy Plan. Lessee and Lessor shall comply with the provisions of the approved Property Management and Re-Occupancy Plan, which requires: (i) Lessee to rent all vacant RAD Units and PBV Units to eligible families referred and approved by Lessor; (ii) Lessor and Lessee to determine tenant eligibility in accordance with any applicable HUD regulations and guidelines; and (iii) the Parties to cooperate in good faith with respect to the lease-up process to ensure, among other matters that lease up and occupancy occurs in a timely manner and complies with the requirements of Approved Financing and the Regulatory Agreements.

(c) Subject to the RAD Requirements applicable to residential tenants of the RAD Units, Lessor and Lessee agree that the Tax Credit Units developed on the Leased Premises must be rented to residential tenants who meet the eligibility requirements of TCAC, California Debt Limit Allocation Committee, and HCD (to the extent restricted by HCD), and the Investor and other Project lenders in connection with their Regulatory Agreements and Approved Financing Documents. Lessor shall only refer to Lessee those residential tenants who meet the requirements of TCAC, California Debt Limit Allocation Committee, the bond issuer, HCD and the RAD Requirements, as applicable. The referral process shall be detailed in the Property Management and Re-Occupancy Plan. Lessee shall provide all Residents tenant protections provided in the Property Management and Re-Occupancy Plan and all occupants of the Residential Units supportive services as provided in the Supportive Services Plan in the Property Management and Re-Occupancy Plan.

(d) For the term of this Lease, except for any Tenant residing in a Residential Unit prior to the commencement of this Lease (an “Existing Tenant”), Residential Units shall be
affordable to and occupied by households having an income not greater than eighty percent (80%) of area median income at commencement of tenancy. All Existing Tenants shall have the right to return to a Residential Unit in the Rental Development regardless of income. Once a Residential Unit occupied by an Existing Tenant becomes vacant, then, subject to Section 3.6 above, such Residential Unit shall be leased to a household having an income not greater than eighty percent (80%) of area median income, or such lesser income requirement imposed by Tax Credit Regulatory Agreement if it is still then in effect.

Section 7.7 Certain Limitation on Work. Lessee shall not do or knowingly permit any Work which would adversely and materially affect the value, rentability or rental value of the Leased Premises, and Lessee shall not, without the prior written consent of Lessor, demolish or remove, or cause, knowingly suffer or knowingly permit the demolition or removal of, the Rental Development other than such demolition and/or removal as may be permitted following any event described in Articles 10 and 11.

Section 7.8 Alterations Required by Law. Without limitation on the other provisions of this Lease, if any Work shall be required with respect to the Leased Premises or any part thereof by any present or future laws, ordinances or regulations, the same shall be done by and the cost thereof borne by Lessee.

Section 7.9 Lessor Completion of Work. To the extent Lessee is required to complete Work pursuant to any Legal Requirement and fails to do so, upon the expiration of sixty (60) days written notice from Lessor to Lessee, or such longer period as is reasonably necessary to complete such Work given the circumstances, Lessor shall have the right to complete such Work and Lessee shall reimburse Lessor for all reasonable expenses incurred in connection therewith.

ARTICLE 8
PERMITTED MORTGAGES AND INVESTOR RIGHTS

Section 8.1 Right to Encumber. Lessee shall have the right during the Term to encumber, through a Mortgage or Regulatory Agreement, all of Lessee’s right, title and interest in the Leased Premises subject to approval of Lessor, which approval shall not be unreasonably withheld. Lessor hereby approves all Mortgages and Regulatory Agreements contemplated by the Approved Financing Documents. Notwithstanding the foregoing, or anything to the contrary set forth herein, Lessee may refinance the Bank Loan without the prior consent of the Lessor (the “Refinanced Bank Loan”), provided that (i) the principal balance of the Refinanced Bank Loan does not exceed the then outstanding principal balance of the Bank Loan at such time plus the costs of refinancing the Bank Loan, and (ii) the interest rate under such Refinanced Bank Loan does not exceed the greater of the interest rate under the Bank Loan, or the then-prevailing interest rate for loans made by institutional lenders to finance similarly situated affordable housing projects.

Section 8.2 Notice to Mortgagee. During any period in which a Mortgage is in place, Lessor shall give any such Mortgagee of which Lessor has received notice from Lessee or Mortgagee a duplicate copy of all notices of default or other notices that Lessor may give to or serve in writing upon Lessee pursuant to the terms of this Lease and all such duplicate copies of notices of default and other notices shall be distributed simultaneously to both Lessee and Mortgagee. Additionally, Lessor shall give Mortgagee written notice of any rejection of this Lease in bankruptcy proceedings. Lessor shall not serve a notice of cancellation or termination upon Lessee unless a copy of any prior notice of default shall have been given to Mortgagee.
and the time for curing such default pursuant to Section 8.3 below shall have expired without the
same having been cured, and no such notice of default shall be effective as to such Mortgagee
not receiving actual notice thereof. Lessor further agrees that it shall notify Mortgagee in writing
of the failure of Lessee to cure a default within any applicable grace period under this Lease and
of the curing of any default by Lessee under this Lease, and Mortgagee shall have the
additional cure periods pursuant to Section 8.3 below. The performance by Mortgagee of any
condition or agreement on part of Lessee to be performed hereunder will be deemed to have
been performed with the same force and effect as though performed by Lessee. The address of
Mortgagee originally designated in a Mortgage may be changed upon written notice delivered to
Lessor in the manner specified in Section 17.12 herein below. Lessor’s failure to give any such
notice to any such Mortgagee shall not constitute a default under Section 12.4.

Section 8.3 Right of Mortgagee to Cure. Notwithstanding any default by Lessee
under this Lease, Lessor shall have no right to terminate or cancel this Lease unless Lessor
shall have given each Mortgagee written notice of such default pursuant to Section 8.2 above
and such Mortgagees shall have failed to remedy such default or acquire Lessee’s leasehold
estate created by this Lease or commence foreclosure or other appropriate proceedings as set
forth in, and within the time specified by, this Section.

Any Mortgagee which has an outstanding Mortgage shall have the right, but not the
obligation, at any time to pay any or all of the Rents due pursuant to the terms of this Lease,
and do any other act or thing required of Lessee by the terms of this Lease, to prevent
termination of this Lease. After receipt of notice from Lessor that Lessee has failed to cure such
default within the period specified in this Lease, Mortgagee shall have one hundred twenty (120)
days (subject to reasonable extension if required by the Investor or any Mortgagee) from the
receipt of such notice to cure such default. All payments so made and all things so done shall
be as effective to prevent a termination of this Lease as the same would have been if made and
performed by Lessee instead of by Mortgagee.

In addition to the cure period provided in this Section 8.3 above, if the default is such
that possession of the Property may be reasonably necessary to remedy the default, any
Mortgagee shall have a reasonable time after the expiration of such one hundred twenty (120)
day period within which to remedy such default, provided that (i) such Mortgagee shall have fully
cured any default in the payment of any monetary obligations of Lessee under this Lease within
such one hundred twenty (120) day period and Lessee or such Mortgagee shall continue to pay
currently such monetary obligations when the same are due, subject to any grace periods
herein and (ii) such Mortgagee shall have acquired Lessee’s leasehold estate hereunder or
commenced foreclosure or other appropriate proceedings prior to or within such period, and
shall be diligently prosecuting the same.

Any default under this Lease which by its nature cannot be remedied by any Mortgagee
shall be deemed to be remedied if (i) within one hundred twenty (120) days after receiving
written notice from Lessor that Lessee has failed to cure such default within the period specified
in this Lease, or prior thereto, any Mortgagee shall have acquired Lessee’s leasehold estate or
commenced foreclosure or other appropriate proceedings or other remedies available to such
Mortgagee under the applicable Mortgage, (ii) Mortgagee shall diligently prosecute any such
proceedings or remedies referenced in subsection (i) above to completion, and (iii) Mortgagee
shall have fully cured any default in the payment of any monetary obligations of Lessee
hereunder which does not require possession of the Property.
If any Mortgagee is prohibited, stayed or enjoined by any bankruptcy, insolvency or other judicial proceedings involving Lessee from commencing or prosecuting foreclosure or other appropriate proceedings, the times specified for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that any Mortgagee shall have fully cured any default in the payment of any monetary obligations of Lessee under this Lease and shall continue to pay currently such monetary obligations when the same fall due; provided, further, that such Mortgagee shall not interfere with Lessor’s efforts to seek compliance by the Lessee with any non-monetary obligation under this Lease.

Section 8.4 Additional Rights of Mortgagee.

(a) No Modification or Termination Without Consent of Mortgagee. Lessor agrees that, without the prior written consent of Mortgagee (which consent shall not be unreasonably withheld, conditioned or delayed), Lessor shall have no right to (A) enter into any agreement amending, modifying, or waiving any material provision of, or terminating this Lease (except as otherwise provided herein), or (B) cancel or terminate or agree to or accept a cancellation, termination or surrender of this Lease (except in the event of default by Lessee and provided Mortgagee shall have been provided with written notice and opportunity to cure such default as set forth in Section 8.3 above). Any actions described under this Section 8.4(a) taken by Lessor without Mortgagee’s prior written consent shall be voidable by Mortgagee.

(b) Delegation to Mortgagee. Lessee may delegate irrevocably to Mortgagee the authority to exercise any or all of Lessee’s rights hereunder, including, but not limited to the right of Mortgagee to participate (in conjunction with or to the exclusion of Lessee) in any proceeding, arbitration or settlement involving condemnation or eminent domain affecting Lessee’s leasehold interest in the Leased Premises, but no such delegation shall be binding upon Lessor unless and until either Lessee or Mortgagee in question shall give to Lessor a true copy of a written instrument effecting such delegation, in form required for recording. Any provision of this Lease that gives Mortgagee the privilege of exercising a particular right of Lessee hereunder on condition that Lessee shall have failed to exercise such right shall not be deemed to diminish any privilege that Mortgagee may have, by virtue of a delegation of authority from Lessee, to exercise such right without regard to whether or not Lessee shall have failed to exercise such right.

(c) Third Party Beneficiary. Each Mortgagee shall be a third party beneficiary of the rights and benefits granted to Mortgagees under this Lease. Neither the Lessee nor the Lessor shall be deemed to be a third party beneficiary of the rights granted hereunder to a Mortgagee and no Mortgagee shall have any obligation to the Lessee or the Lessor to account for any decision, action or election it may take or the exercise of its rights hereunder, nor shall any Mortgagee have any duty to the Lessee or the Lessor to exercise any right hereunder in any particular manner or order, other than that which such Mortgagee, in its sole discretion (but in any event subject to the terms of this Lease) shall deem appropriate and in its own best interests.

Section 8.5 Limitation on Liability of Mortgagee. No Mortgagee shall be or become liable to Lessor as an assignee of this Lease or otherwise unless it expressly assumes by written instrument executed by Lessor and Mortgagee such liability (in which event the Mortgagee’s liability shall be limited to the period of time during which it is the owner of the leasehold estate created hereby) and no assumption shall be inferred from or result from foreclosure or other appropriate proceedings in the nature thereof or as the result of any other action or remedy provided for by such Mortgagee or other instrument or from a conveyance from
Lessee pursuant to which the purchaser at foreclosure or grantee shall acquire the rights and interest of Lessee under the terms of this Lease.

Section 8.6  **Estoppel Certificates.** Lessor and Lessee agree that at any time and from time to time upon not less than twenty (20) days’ prior written notice by the other Party, or upon request from any Mortgagee or Investor or a permitted assignee or other interested party, Lessor or Lessee will execute, acknowledge and deliver to the other Party or to such Mortgagee or Investor a statement in writing certifying (a) that this Lease is unmodified and in full force and effect; (b) the date through which the Rents have been paid; and (c) that, to the knowledge of the certifier (if such be the case), there is no default (or any conditions existing which, but for the passage of time or the giving of notice, would constitute a default), set off, defense or other claim against Lessor or Lessee, as applicable, other than those, if any, so specified under the provisions of this Lease. In addition to clauses (a) through (c) above, if a Mortgagee requires such a statement in writing from Lessor, Lessor, in its statement, shall (x) confirm that Lessor consents to the Mortgage in question; (y) identify all of the relevant documents that evidence the Lease; and (z) provide any other statements or provisions reasonably requested by Mortgagee. It is intended that any such statement may be relied upon by any persons proposing to acquire the interest of Lessor, Lessee or any Mortgagee or Investor, as the case may be, in this Lease or by any prospective Mortgagee or Investor or permitted assignee of any Mortgagee or Investor.

Section 8.7  **Registration of Mortgages.** Upon written request by Lessor, Lessee shall provide written notice to Lessor of the name and address of each Mortgagee under this Lease.

Section 8.8  **New Lease.** In the event of the termination or cancellation of this Lease prior to the natural expiration of the Term of this Lease due to a default of Lessee or operation of law or otherwise (including, without limitation, the bankruptcy filing of Lessee or the commencement of an insolvency proceeding or similar proceeding, an act of condemnation or eminent domain against a portion of the Leased Premises by a government agency or body, the destruction or damage of the Leased Premises, or a change in the control or management of Lessee), Lessor shall also be obligated to give notice to Mortgagee simultaneously with such notice given to Lessee and shall include in the notice a statement of all sums which would be due under this Lease at the time of termination and all other defaults of Lessee existing at such time. No such notice to Lessee shall be effective with respect to termination or cancellation of this Lease unless Mortgagee shall also have been so notified. Lessor, upon written request from any Mortgagee within sixty (60) days of receiving such notice of termination or cancellation, shall enter into a new lease with such Mortgagee or its designee in accordance with and upon the same terms and conditions as set forth herein and with the same relative priority in time and in right as this Lease (to the extent possible) and having the benefit of and vesting in Mortgagee, or its designee, of all the rights, title, interest, powers and privileges of Lessee hereunder (the “New Lease”). In this regard, in the event of the filing of a petition in bankruptcy by the Lessee, and the Lessee rejects this Lease under the then applicable provisions of the Bankruptcy Code, Lessor shall, upon the request of a Mortgagee within the time period specified above, affirm this Lease, and Lessor will enter into a New Lease immediately upon Lessee’s rejection of this Lease. In the event of the filing of a petition in bankruptcy by the Lessor, and the Lessor rejects this Lease and the Lessee does not affirm it, a Mortgagee will have, within a reasonable amount of time not less than thirty (30) days, the authority to affirm this Lease on behalf of the Lessee and to keep the Lease in full force and effect.
After cancellation and termination of this Lease and upon compliance with the provisions of this Section 8.8 by Mortgagee, or its designee, within such time, Lessor shall thereupon execute and deliver such New Lease to such Mortgagee or its designee, having the same relative priority in time and right as this Lease (to the extent possible) and having the benefit of all the right, title, interest, powers and privileges of Lessee hereunder in and to the Leased Premises.

Upon the execution and delivery of the New Lease, title to the Rental Development shall automatically vest in the Mortgagee or the designee until the expiration or earlier termination of the term of the New Lease.

Section 8.9 Rights of Investor. The Investor shall have the same notice and cure and other rights as any Mortgagee; provided, however, (i) all references in Section 8.3 to Mortgagee acquiring Lessee’s leasehold interest or commencing foreclosure proceedings shall instead refer to the removal of one or both of the general partners of Lessee or the commencement of such removal process, and (ii) subject to the rights of the senior Mortgagee, Investor shall have the right to receive a New Lease pursuant to the provisions of Section 8.8 hereof. The address for any notices to same, as of the date hereof, is provided in Section 17.14 hereof.

ARTICLE 9
REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 9.1 Representations, Warranties and Covenants of Lessee. As an inducement to Lessor to enter into and to proceed under this Lease, Lessee warrants and represents to Lessor as follows, which warranties, representations and covenants are true and correct as of the date of this Lease:

(a) Lessee has the right, power and authority to enter into this Lease and the right, power and authority to comply with the terms, obligations, provisions and conditions contained in this Lease;

(b) The entry by Lessee into this Lease and the performance of all of the terms, provisions and conditions contained herein will not, or with the giving of notice or the passage of time, or both, would not, violate or cause a breach or default under any other agreements to which Lessee is a party or by which it is bound;

(c) Lessee (i) shall not cause or permit any Hazardous Materials to be placed, held, located or disposed of on, under or at the Leased Premises or any part thereof, except in commercially reasonable amounts used in the Rehabilitation and operation of the Rental Development and in accordance with Legal Requirements, and (ii) shall not cause or permit any Hazardous Materials contamination of the Leased Premises or any part thereof; provided, however, that Lessee shall not be in violation of this Subsection 9.1(c) or otherwise be liable or obligated hereunder for any of the foregoing occasioned solely by reason of the existence of soils, water or materials already located on the Leased Premises as of the Commencement Date; and

(d) At all times during the Term, Lessee or its authorized representative shall use, maintain and operate the Leased Premises and the Rental Development thereon in accordance with all Legal Requirements and Regulatory Agreements.

Section 9.2 Hazardous Materials.
(a) **Certain Covenants and Agreements.** The Lessee hereby covenants and agrees that:

1. The Lessee shall not knowingly permit the Leased Premises 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 Leased Premises in violation of any applicable law;

2. The Lessee shall keep and maintain the Leased Premises and each portion thereof in compliance with, and shall not cause or permit the Leased Premises or any portion thereof to be in violation of, any Hazardous Materials Laws;

3. Upon receiving actual knowledge of the same, the Lessee shall immediately advise the Lessor in writing of:

   A. any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against the Lessee or the Leased Premises pursuant to any applicable Hazardous Materials Laws;
   
   B. any and all claims made or threatened by any third party against the Lessee or the Leased Premises 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 Leased Premises in such quantities which require reporting to a government agency; or
   
   D. the Lessee’s discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Leased Premises classified as “borderzone 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 Leased Premises under any Hazardous Materials Laws.

   If the Lessor reasonably determines that the Lessee is not adequately responding to a Hazardous Material Claim or any condition in Sections 9.2(a)(3)(C) or (D), the Lessor shall have the right 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 to have its reasonable attorney’s fees in connection therewith paid by the Lessee.

4. Without the Lessor’s prior written consent, which shall not be unreasonably withheld or delayed, the Lessee shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Leased Premises (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) **Indemnity.** Without limiting the generality of the indemnification set forth in Section 7.3 above, the Lessee hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to the Lessor) the Lessor, its board members, directors,
commissioners, officers, agents, successors, assigns and employees (the “Indemnitees”) 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, attorney’s fees and expenses, expert witness fees and consultant fees (“Indemnification Claims”)), arising directly or indirectly, in whole or in part, out of:

(1) The failure of the Lessee or any other person or entity on or after the Commencement Date, 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 Leased Premises;

(2) Any release or discharge of any Hazardous Materials into, on, under or from the Leased Premises, arising on or after the Commencement Date, or the presence in, on, or under the Leased Premises of any Hazardous Materials that occurs on the Leased Premises after the Commencement Date; or

(3) Any activity or omission of activity carried on or undertaken on or off the Leased Premises, on or after the Commencement Date, and whether by the Lessee or any employees, agents, contractors or subcontractors of the Lessee or any successor in title that is related to the Lessee occupying or present on the Leased Premises, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials located or present on or under the Leased Premises. The Lessee’s indemnity obligations as they pertain to activities occurring off the Leased Premises shall only extend to activities performed by or arising from activities performed by the Lessee or any employees, agents, contractors or subcontractors of the Lessee.

The foregoing indemnity shall further apply to any residual contamination on or under the Leased Premises, 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, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this subsection shall survive expiration of the Term or other termination of this Lease, and shall remain in full force and effect. This indemnity obligation shall not extend to any claim arising from the Lessor’s gross negligence or willful misconduct.

(c) No Limitation. The Lessee hereby acknowledges and agrees that the Lessee’s duties, obligations and liabilities under this Lease, including, without limitation, under subsection (b) above, are in no way limited or otherwise affected by any information the Lessor may have concerning the Leased Premises and/or the presence on the Leased Premises of any Hazardous Materials, whether the Lessor obtained such information from the Lessee or from its own investigations.

Section 9.3 As-Is Conveyance.

(a) This Lease is made “AS IS,” with no warranties or representations by the Lessor concerning the condition of the Leased Premises, including the presence or absence of any Hazardous Materials. Lessee hereby agrees and acknowledges that except in the event of any fraud, misrepresentation, or withholding of information by Lessor: (i) neither Lessor, nor anyone acting for or on behalf of Lessor, has made any representation, statement, warranty or promise to Lessee concerning the development potential or condition of the Leased Premises;
(ii) in entering into this Lease, Lessee has not relied on any representation, statement or warranty of Lessor, or anyone acting for or on behalf of Lessor, other than as may expressly be contained in writing in this Lease; (iii) all matters concerning the Leased Premises have been or shall be independently verified by Lessee and that Lessee shall purchase or lease the Leased Premises on Lessee’s own prior examination thereof; and (iv) THAT LESSEE IS PURCHASING OR LEASING THE LEASED PREMISES, AS APPLICABLE, IN AN “AS IS” PHYSICAL CONDITION AND IN AN “AS IS” STATE OF REPAIR.

(b) **General Release.** Subject to Section 9.3(a) above, Lessee and its owners, employees, agents, assigns and successors agree that upon the Closing, Lessee shall be deemed conclusively to have released and discharged Lessor and its agents, employees, trustees, assigns and successors, from any and all damages, losses, demands, claims, debts, liabilities, obligations, causes of action and rights, whether known or unknown, by Lessee regarding the Leased Premises, including, but not limited to, the environmental condition of the Leased Premises (collectively, the “Released Claims”). Notwithstanding anything to the contrary contained herein, the Released Claims shall not include any claims arising pursuant to Lessee’s Amended and Restated Partnership Agreement (or any ancillary documents executed in connection therewith, including, without limitation, any development agreement or guaranty, the Acquisition Loan Documents or the DDA).

(c) **Waiver of Civil Code § 1542.** Lessee agrees that, with respect to the General Release contained in Section 9.3(b) above, the General Release extends to all matters regarding the Leased Premises, whether or not claimed or suspected, to and including the date of execution hereof, and constitutes a waiver of each and all the provisions of the California Civil Code § 1542, which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

Lessee herein acknowledges that the effect and import of the provisions of Civil Code § 1542 have been explained to it by its own counsel. Lessee understands and acknowledges the significance and the consequence of such specific waiver of unknown claims and hereby assumes full responsibility for any injuries, damages, losses or liabilities that it may hereinafter incur from the waiver of these unknown claims.

**ARTICLE 10**
**EMINENT DOMAIN**

Section 10.1 **Termination of Lease.** Lessor and Lessee agree that, in the event of a Taking such that Lessee reasonably determines that the Leased Premises cannot continue to be operated, at reasonable cost, for its then current use, then, subject to the rights and with the prior consent of Mortgagee and Investor, this Lease shall, at Lessee’s sole option, terminate as of the Taking Date.
Section 10.2  Continuation of Lease and Presumption of Restoration. Lessor and Lessee agree that, in the event of a Taking that does not result in the termination of this Lease pursuant to Section 10.1 above, this Lease shall continue in effect as to the remainder of the Leased Premises and, subject to Section 10.4 and any applicable requirements of Mortgagee, the Net Condemnation Award will be disbursed according to Sections 10.5 below, and shall be used so as to make the same a complete, unified and efficient operating unit as nearly as reasonably possible to the condition existing prior to the Taking.

Section 10.3  Temporary Taking. If there shall be a temporary Taking with respect to all or any part of the Leased Premises or of Lessee’s interest in this Lease, then the Term shall not be reduced and Lessee shall continue to pay all Rents, Impositions and other charges required herein, without reduction or abatement thereof at the times herein specified; provided, however, that Lessee shall not be required to perform such obligations that Lessee is prevented from performing by reason of such temporary Taking.

Section 10.4  Mortgagee Protection. Notwithstanding anything contained in this Lease to the contrary, any and all of the Net Condemnation Award related to the Lessee’s Estate shall be paid first to the Mortgagee, if any, to be applied in accordance with the Mortgage and other documents that govern the loan secured by the Mortgage to reduce the Mortgage if required by the Mortgage documents.

Section 10.5  Award. After the Closing, subject to the rights of Mortgagee, if there is a Taking, whether whole or partial, Lessor and Lessee shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, or as may be otherwise agreed, taking into consideration the fact that Lessor’s interest in the Leased Premises is limited to the land as encumbered by this Lease, and a reversionary interest in the Leased Premises upon the expiration of the Term. If the Leased Premises shall be restored as is contemplated in Section 10.2 above, Lessee shall be entitled to recover the costs and expenses incurred in such restoration out of any Net Condemnation Award, subject to Mortgagee’s rights pursuant to Section 10.4 and as set forth in the applicable Approved Financing Documents. Thereafter, if the condemning authority does not make separate awards, and the Parties are unable to agree as to the exact amount of such allocation amounts that are to be allocated to the respective interests of each Party, then each Party shall select an independent M.A.I. real estate appraiser (an “Appraiser”). Each Appraiser shall separately determine the amount of the balance of the Net Condemnation Award that is to be allocated to the interests of each Party. If the percentage of the balance of the Net Condemnation Award each Appraiser allocates to Lessor (a) are within ten percent (10%) of each other, the two allocations shall be averaged, and such average shall be the final allocation of the Net Condemnation Award, or (b) are not within ten percent (10%) of each other, the two Appraisers shall then select a third Appraiser, who shall independently allocate the Net Condemnation Award between Lessor and Lessee, and the middle of such three allocations shall be the final allocation of the Net Condemnation Award. Notwithstanding anything to the contrary contained herein, any Net Condemnation Award recovered by or allocated to Lessor shall in no event be greater than the value of Lessor’s fee interest in the unimproved land that constitutes the Leased Premises and any Net Condemnation Award recovered by or allocated to Lessee or Mortgagee shall in no event be less than the total Net Condemnation Award minus the value of Lessor’s fee interest in the unimproved land.

Section 10.6  Joinder. If a Mortgage exists, the Mortgagees, to the extent permitted by law, shall be made a party to any Taking proceeding.
ARTICLE 11
DAMAGE OR DESTRUCTION

Section 11.1 Damage or Destruction to Leased Premises. Lessee shall give prompt written notice to Lessor after the occurrence of any fire, earthquake, act of God or other casualty causing damage or destruction to or in connection with the Leased Premises, the Rental Development or any portion thereof (hereinafter sometimes referred to as a “Casualty”). Subject to Section 11.2 below, and the rights of any Mortgagees, if during the Term the Rental Development shall be damaged or destroyed by Casualty, Lessee shall repair or restore the Rental Development, so long as Lessee determines, in its sole discretion, that it is feasible to do so and in such event Lessee provides or causes to be provided sufficient additional funds which, when added to such insurance proceeds, will fully effect such repair or restoration. In the event that Lessee shall determine, subject to the rights and with the consent of Mortgagee and Investor, by notice to Lessor given within thirty (30) days after receipt by Lessee of any such insurance proceeds, that it is not economically practical to restore the Rental Development and/or the Leased Premises to substantially the same condition in which they existed prior to the occurrence of such Casualty, then Lessee may terminate this Lease as of a date that is not less than thirty (30) days after the date of such notice. If Lessee terminates this Lease pursuant to this Section 11.1, Lessee shall surrender possession of the Leased Premises to Lessor immediately and assign to Lessor (or, if same has already been received by Lessee, pay to Lessor) all of its right, title and interest in and to the proceeds from Lessee’s insurance upon the Leased Premises, subject to the prior rights of any Mortgagee therein, as referenced in Section 11.2 below.

Section 11.2 Mortgagee Protection. The following provisions are for the protection of a Mortgagee and shall, notwithstanding anything contained in this Lease to the contrary, control:

(a) Insurance. Any insurance proceeds payable from any policy of insurance (other than liability insurance) required by this Lease shall be paid to the Mortgagee, if any, to the extent required by the Mortgage and shall be applied in accordance with the requirements of the Mortgage. The Mortgagee, if any, shall have the right to participate in all adjustments, settlements, negotiations or actions with the insurance company regarding the amount and allocation of any such insurance proceeds. Any insurance policies permitted or required by this Lease shall name the Mortgagee, if any, as an additional insured or loss payee, as appropriate, if required by such Mortgage.

(b) Restoration. Lessee shall use best efforts to apply for and collect all applicable insurance proceeds recoverable with respect to any Casualty and shall restore or repair the Rental Development subject to the sufficiency of the insurance proceeds actually received. A Mortgagee shall have no obligation to restore or repair damage to the Rental Development unless the Mortgagee takes possession of the Leased Premises pursuant to its remedies under the Lease. Lessee shall have no obligation to restore or repair damage to the Rental Development if the casualty occurs during the last five (5) years of the Term. In the event such a loss occurs in the last five (5) years, then, at the election of Lessee to be exercised within one hundred twenty (120) days of such Casualty, with the prior written consent of the Mortgagee, if any, Lessee may terminate this Lease and insurance proceeds shall be used, first, to clear the Leased Premises of the damaged improvements and any debris, and second, the balance shall be used to either restore or repair the Rental Development or to reduce or pay in full the Mortgage, as more particularly provided in the documents evidencing the Mortgage. Any remaining amounts shall be paid to Lessor concurrent with such termination. If Lessee terminates this Lease pursuant to this Section 11.2, Lessee shall surrender possession of the
Leased Premises to Lessor immediately and assign to Lessor (or, if same has already been received by Lessee, pay to Lessor) all of its right, title and interest in and to any remaining proceeds from Lessee’s insurance upon the Leased Premises.

ARTICLE 12
EVENTS OF DEFAULT

Section 12.1  Events of Default. Each of the following shall be an “Event of Default” by Lessee hereunder:

(a)  failure by Lessee to pay any Rents when due or to pay or cause to be paid any Impositions, insurance premiums or other liquidated sums of money herein stipulated to be paid by Lessee, if such failure shall continue for a period of thirty (30) days after notice thereof has been given by Lessor to Lessee;

(b)  failure by Lessee to perform or observe any of the provisions of this Lease stipulated in this Lease to be observed and performed by Lessee (including, but not limited to the failure to comply with Section 3.6), if such failure shall continue for a period of thirty (30) days after written notice thereof has been given by Lessor to Lessee; provided, however, that if any such failure cannot reasonably be cured within such thirty (30)-day period, then Lessor shall not have the right to terminate this Lease or Lessee’s right to possession hereunder so long as Lessee promptly commences the curing of any such failure and thereafter proceeds in good faith and with due diligence to remedy and correct such failure within a reasonable period of time; provided, however, that such period shall not extend for more than one hundred eighty (180) days after the date of Lessor’s written notice to Lessee;

(c)  the failure of Lessee to cure, within the prescribed time period, (i) any declaration of default by the holder of a Mortgage encumbering the Rental Development, or (ii) any breach or violation of any Approved Financing Document, following notice to Lessee and expiration of the applicable cure period;

(d)  the subjection of any right or interest of Lessee in this Lease to attachment, execution or other levy, or to seizure under legal process, if not released within ninety (90) days; provided that the foreclosure of any Mortgage shall not be construed as an Event of Default within the meaning of this Subsection 12.1(d);

(e)  the appointment of a receiver, not including receivership pursuant to any Mortgage, to take possession of Lessee’s Estate or of Lessee’s operations on the Leased Premises for any reason, if such receivership is not terminated, dismissed or vacated within ninety (90) days after the appointment of the receiver;

(f)  the filing by Lessee of a petition for voluntary bankruptcy under the Bankruptcy Code of the United States or any similar law, state or Federal, now or hereafter in effect;

(g)  the filing against Lessee of any involuntary proceedings under such Bankruptcy Code or similar law, if such proceedings have not been vacated or stayed within ninety (90) days of the date of filing;

(h)  the appointment of a trustee or receiver for Lessee or for all or the major part of Lessee’s property or the Leased Premises, in any involuntary proceeding, not including
pursuant to any Mortgage, or taking of jurisdiction by any court over all or the major part of Lessee’s property or the Leased Premises in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of Lessee, if such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ninety (90) days;

(i) a general assignment by Lessee for the benefit of creditors or Lessee’s admittance in writing of its insolvency or inability to pay its debts generally as they become due or Lessee’s consent to the appointment of a receiver or trustee or liquidator for Lessee, all or the major part of its property, or the Leased Premises;

(j) the Lessee abandons all or a portion of the Lessee’s Estate;

(k) violation of the RAD Use Agreement if such failure shall continue for a period of sixty (60) days after written notice thereof has been given by Lessor to Lessee and Investor; or

(l) subject to Section 3.4(c) of the DDA, a breach or default by the Lessee under the DDA in any way pertaining to the Rental Development, which breach or default is not cured within the grace or cure period (if any) set forth in the DDA.

Section 12.2 Rights and Remedies.

(a) At any time after the occurrence of an Event of Default hereunder, Lessor, subject in all respects to the provisions of this Lease with respect to Lessor’s rights to cure defaults by Lessee and with respect to the rights of Investor and any Mortgagees under Article 8 and Mortgagees rights under Section 8.4(a), and subject further to the provisions of Section 12.3 of this Lease, may terminate this Lease by giving Lessee written notice thereof (with a copy of such notice to the Mortgagees and to the Investor), setting forth in such notice an effective date for termination which is not less than thirty (30) days after the date of such notice, in which event this Lease and Lessee’s Estate created hereby and all interest of Lessee and all parties claiming by, through or under Lessee shall automatically terminate upon the effective date for termination as set forth in such notice, with the same force and effect and to the same extent as if the effective date of such notice had been the date originally fixed in Article 2 hereof for the expiration of the Term. In such event, Lessor, its agents or representatives, shall have the right, without further demand or notice, to reenter and take possession of the Leased Premises (including the Rental Development) at any time from and after the effective termination date without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or existing breaches of covenants; provided that Lessor shall not be entitled to disturb possession of any Tenants or others in possession pursuant to Tenant Leases with Lessee so long as such Tenants or others are not in default thereunder and attorn to Lessor as their lessor.

(b) Upon the exercise of Lessor’s remedies pursuant to this Section 12.2, Lessee shall execute such releases, deeds and other instruments in recordable form as Lessor shall reasonably request in order to accurately set forth of record the then current status of Lessee’s Estate and Lessee’s rights hereunder.

Section 12.3 Deficiency Judgments. Lessor, for itself and for each and every succeeding owner of Lessor’s Estate in the Leased Premises, agrees that it shall never be entitled to seek a personal judgment against Lessee or its partners and that (a) upon any Event
of Default hereunder, the rights of Lessor to enforce the obligations of Lessee, its successors or assignees, or to collect any judgment, shall be limited to the termination of this Lease and of Lessee’s Estate and the enforcement of any other rights and remedies specifically granted to Lessor hereunder, provided, however, that the limitations set forth in this Section 12.3 shall not be applicable to (i) fraud or (ii) misappropriation of any Net Condemnation Award or insurance.

Section 12.4 Default by Lessor.

(a) Events of Default. Lessor shall be in default of this Lease if it fails to perform any provision of this Lease that it is obligated to perform, and if the failure to perform or the failure of such representation or warranty is not cured within thirty (30) days after written notice of the default has been given to Lessor. If the default cannot reasonably be cured within thirty (30) days, Lessor shall not be in default of this Lease if Lessor commences to cure the default within such thirty (30) day period and diligently and in good faith continues to cure the default until completion.

(b) Right to Cure; Lessee’s Remedies. Subject to Section 12.5 below, if Lessor shall have failed to cure a default by Lessor after expiration of the applicable time for cure of a particular default, Lessee, at its election, but without obligation therefor (i) may seek specific performance of any obligation of Lessor, after which Lessee shall retain, and may exercise and enforce, any and all rights that Lessee may have against Lessor as a result of such default, (ii) from time to time without releasing Lessor in whole or in part from the obligations to be performed by Lessor hereunder, may cure the default at Lessor’s cost, (iii) may terminate this Lease, and/or (iv) may exercise any other remedy given hereunder or now or hereafter existing at law or in equity. Any reasonable costs incurred by Lessee in order to cure such a default by Lessor shall be due immediately from Lessor, together with interest, and may be offset against any amounts due from Lessee to Lessor.

Section 12.5 Notices. Notices given by Lessor under Section 12.1 or by Lessee under Section 12.4 shall specify the alleged default and the applicable Lease provisions, and shall demand that Lessee or Lessor, as applicable, perform the appropriate provisions of this Lease within the applicable period of time for cure. No such notice shall be deemed a forfeiture or termination of this Lease unless expressly set forth in such notice.

ARTICLE 13 QUITER ENJOYMENT AND POSSESSION; INSPECTIONS

Section 13.1 Quiet Enjoyment. Lessor covenants and warrants that Lessee, upon payment of all sums herein provided and upon performance and observance of all of its covenants herein contained, shall peaceably and quietly have, hold, occupy, use and enjoy, and shall have the full, exclusive and unrestricted use and enjoyment of, all of the Leased Premises during the Term, subject only to the provisions of this Lease and all applicable Legal Requirements.

Section 13.2 Lessor’s Right of Inspection. Notwithstanding Section 13.1 above, Lessor, in person or through its agents, upon reasonable prior notice to Lessee, shall have the right, subject to the rights of Tenants, to enter upon the Leased Premises for purposes of reasonable inspections performed during reasonable business hours in order to assure compliance by Lessee with its obligations under this Lease. In addition to the aforementioned inspection rights, Lessee grants a right of access to the Lessor, or any of its authorized
representatives, with respect to any books, documents, papers, or other records related to this Lease in order to make audits, examinations, excerpts, and transcripts.

Section 13.3 Consent for Lessor Mortgage. Lessor shall not mortgage or otherwise encumber its fee estate without the prior written consent of Lessee and any Mortgagee, which consent shall be given in Lessee’s sole discretion.

Section 13.4 Representation and Warranty Regarding No Lessor Mortgage. Lessor hereby represents and warrants that, as of the date hereof, it has not mortgaged or otherwise encumbered its fee estate in and to the Leased Premises.

ARTICLE 14
VACATION OF LEASED PREMISES

Section 14.1 Vacating Premises. Lessee covenants that upon any termination of this Lease, whether by lapse of time or because of any of the conditions or provisions contained herein, Lessee will peaceably and quietly yield and surrender possession of the Leased Premises to Lessor. The foregoing, however, will be subject to the rights of Tenants or others in possession pursuant to Tenant Leases with Lessee, provided that such Tenants are not in default thereunder and attorn to Lessor as their lessor. An action of forcible detainer shall lie if Lessee holds over after a demand for possession is made by Lessor. Notwithstanding anything to the contrary herein, Lessee shall not and Lessor shall not accept any voluntary vacating or surrendering of the Leased Premises by Lessee while a Mortgage remains outstanding.

ARTICLE 15
NON-MERGER

Section 15.1 Non-Merger. For so long as any debt secured by a Mortgage upon the leasehold created by this Lease shall remain outstanding and unpaid, unless Mortgagee shall otherwise consent in writing, there shall be no merger of either this Lease or Lessee’s Estate created hereunder with the fee estate of the Leased Premises or any part thereof by reason of the fact that the same person may acquire, own or hold, directly or indirectly, (a) this Lease, Lessee’s Estate created hereunder or any interest in this Lease or Lessee’s Estate (or the Rental Development), and (b) the fee estate in the Leased Premises or any part thereof or any interest in such fee estate (or the Rental Development), unless and until all persons, including any assignee of Lessor, having an interest in (i) this Lease or Lessee’s Estate created hereunder, and (ii) the fee estate in the Leased Premises or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same, and shall have obtained the prior written consent of Mortgagee.

ARTICLE 16
ASSIGNMENTS AND TRANSFERS; FORECLOSURE

Section 16.1 Consent Required. Except as expressly provided herein, Lessee shall not, without the prior written consent of Lessor, Transfer this Lease or any interest therein. A Transfer shall be deemed to include any attempt by Lessee to (a) demolish all or any portion of the Leased Premises after the Rehabilitation; (b) make or permit any voluntary or involuntary, total or partial, sale, lease, assignment, conveyance, mortgage, pledge, encumbrance, or other transfer of any or all of the Leased Premises, the Rental Development; or (c) transfer, convey or assign (i) any interest of a managing member, general partner, or controlling affiliate or stockholder (any such interest being referred to as a “Controlling Interest”) in the Lessee or (ii) a
Controlling Interest in any entity which has a Controlling Interest in the Lessee, or (iii) any other interest in the Lessee, or in any partner or member thereof. Any person to whom any Transfer is attempted without the consent of Lessor (if applicable) shall have no claim, right or remedy whatsoever hereunder against Lessor, and Lessor shall have no duty to recognize any person claiming under or through the same. Notwithstanding the foregoing, Lessor acknowledges and agrees that (a) nothing herein shall limit or restrict the right to remove a general partner set forth in the Amended and Restated Partnership Agreement or applicable law, or grant Lessor the right to approve any such removal; provided, that Lessor shall have the right to approve any withdrawal or replacement of the administrative general partner of Lessee unless such administrative general partner is removed as a result of a default under the Amended and Restated Partnership Agreement or applicable law, and (b) Lessor shall not unreasonably withhold its consent to the admission of any replacement general partner(s) to Lessee pursuant to the terms of the Amended and Restated Partnership Agreement so long as such new general partner is reasonably acceptable to the Lessor and is selected with reasonable promptness. For purposes of subsection 16.1(b) above, Lessor hereby preapproves [insert name of investor limited partner or its affiliate]_. as a new general partner in Lessee, as provided in the Amended and Restated Partnership Agreement, if such entity is admitted as a new general partner in Lessee following the removal of a prior general partner of Lessee as a result of a default under the Amended and Restated Partnership Agreement or applicable law.

Section 16.2 Limitations on Consent Requirement. Notwithstanding the foregoing:

(a) The consent of the Lessor shall not be required for:

(1) a lease of any Residential Unit at the Leased Premises, subject to the Lessor's prior approval of the form of Tenant Lease;

(2) mortgage of Lessee's interest in the Leased Premises and Rental Development to any approved Mortgagee, and transfer of the Leased Premises and Rental Development to such Mortgagee by foreclosure or deed-in-lieu of foreclosure (or the leasehold equivalent thereof), or to a third-party purchaser pursuant to a foreclosure sale (or the leasehold equivalent thereof);

(3) after Closing, the transfer by the Investor of the Investor's limited partner Partnership interests; or

(4) grants and easements for the establishment, operation, and maintenance of utility services.

(b) If Lessee requests the consent of Lessor to an internal reorganization of the Lessee, or of any of the partners, members, or stockholders of Lessee, Lessor shall not unreasonably withhold or delay such consent.

Section 16.3 Subsequent Assignment. In cases where Lessor's consent is required, Lessor's consent to one assignment will not waive the requirement of its consent to any subsequent assignment.

Section 16.4 Request for Consent. If Lessee requests Lessor's consent to a specific assignment, Lessee shall provide to Lessor such information as may reasonably be required by Lessor.
Section 16.5  Consent of Lessor Not Required.  The foreclosure of a Mortgage or any sale thereunder, whether by judicial proceedings or by virtue of any power contained in any Mortgage, or any conveyance of the Lessee’s Estate to any Mortgagee, its affiliate or third party nominee or designee through, or in lieu of, foreclosure or other appropriate proceedings in the nature thereof, or the enforcement by any Mortgagee of any of its rights or remedies under a Mortgage, shall not breach any provision of or constitute an Event of Default under this Lease, and upon such foreclosure, sale or conveyance, Lessor shall recognize any Mortgagee or such affiliate or designee of any Mortgagee, or any purchaser at any such foreclosure sale, as Lessee hereunder; provided, however, that Lessor may disapprove a subsequent Lease Transfer after foreclosure, deed in lieu of foreclosure or other appropriate proceedings where the proposed transferee has (a) insufficient prior experience in managing affordable multifamily rental housing, (b) demonstrated poor performance in managing affordable multifamily rental housing, or (c) has been debarred or suspended by HUD.

Section 16.6  Transfer After Foreclosure.  This Lease may be transferred, without the consent of Lessor, to any Mortgagee, an affiliate thereof or a third party designee, pursuant to foreclosure or similar proceedings, or pursuant to a Transfer of this Lease to such Mortgagee (or affiliate or a third party designee) in lieu thereof, and may be thereafter transferred by such Mortgagee (or its affiliate or a third party designee) without the consent of Lessor, and any Mortgagee (or its affiliate) shall be liable to perform the obligations herein imposed on Lessee only for and during the period it is in possession or ownership of the leasehold estate created hereby. In no event shall any Mortgagee (or its affiliate or a third party designee) be (i) liable for any prior act or omission of Lessee unless and to the extent such act or omission is continuing following the foreclosure or other transfer and is capable of being cured by Mortgagee, or (ii) subject to any offsets or defenses which Lessor may have against Lessee.

Section 16.7  Grant of Purchase Option to Lessor or Affiliate.  Notwithstanding anything to the contrary set forth in any other provision of this Lease, nothing shall prohibit (i) the granting of a purchase option and right of first refusal described in Section 7.4 of the DDA, and/or (ii) the exercise of such option or right of first refusal in accordance with their terms; provided, however, that any such option rights described herein this Section 16.7 shall be subordinate and subject to the Approved Financing Documents.

ARTICLE 17
MISCELLANEOUS PROVISIONS

Section 17.1  Entire Agreement: Modifications.  This Lease supersedes all prior discussions and agreements between the Parties with respect to the leasing of the Leased Premises. This Lease contains the sole and entire understanding between the parties with respect to the leasing of the Leased Premises pursuant to this Lease, and all promises, inducements, offers, solicitations, agreements, representations and warranties heretofore made between the Parties, if any, are merged into this Lease. This Lease may be amended by mutual agreement of the Parties, subject to the prior written approval of each Mortgagee, provided that any such amendment must be in writing and signed by both Parties.

Section 17.2  Holding Over.  No holding over after the termination or expiration of this Lease shall be permitted for any reason whatsoever. Any holding over by Lessee after expiration or earlier termination shall not constitute a renewal or extension of this Lease, nor shall it give Lessee any rights in or to the Rental Development and/or Leased Premises, or any part thereof.
Section 17.3  Removal of Personal Property. Title to the Personal Property shall remain in Lessee. If Lessee or Mortgagee shall not have removed the Personal Property from the Leased Premises upon a reasonable period of time following the expiration or earlier termination of the Lease (such period not to be less than thirty (30) days following delivery of written notice from Lessor to Lessee and Mortgagee), then Lessor shall have the right, at its election, in addition or in the alternative to its other rights with respect to the same, to either (i) deem such Personal Property abandoned and retain the same as its property, or dispose of the same without accountability in such manner as Lessor may see fit (and Lessor shall be promptly reimbursed by Lessee for all reasonable expenses of such disposition upon written demand therefor), or (ii) remove and store the same in a place satisfactory to Lessor, in which event all reasonable expenses of such removal and storage shall be charged to and be borne by Lessee, and Lessor shall be promptly reimbursed by Lessee for such expenses upon written demand therefor. Lessee shall repair any loss or damage to the Leased Premises or any part thereof caused or resulting from the removal of the personal property (whether removed by or at the direction of Lessor or Lessee), except to the extent such loss or damage was caused by the gross negligence or willful misconduct of Lessor, its agents and/or employees.

Section 17.4  Amendments. Lessor shall not unreasonably withhold its consent to any amendments to this Lease that are reasonably requested by a Mortgagee, including, without limitation, for the purpose of implementing the mortgage protection provisions contained in this Lease to allow Mortgagee reasonable means to protect or preserve the lien of its Mortgage upon occurrence of a default under the terms of this Lease. Lessor and Lessee each agree to execute and deliver (and to acknowledge for recording purposes, if necessary) such agreement(s) or instrument(s) reasonably required to effect such amendments. Notwithstanding the foregoing, however, Lessor and/or Lessee may, in their sole and absolute discretion, refuse to consent to any other proposed amendments to this Lease.

Section 17.5  Governing Law. This Lease, and the rights and obligations of the Parties hereunder, shall be governed by and construed in accordance with the substantive laws of the State of California.

Section 17.6  Binding Effect. This Lease shall inure to the benefit of and be binding upon the Parties hereto, their heirs, successors, administrators, executors and permitted assigns.

Section 17.7  Severability. In the event any provision or portion of this Lease is held by any court of competent jurisdiction to be invalid or unenforceable, such holdings shall not affect the remainder hereof, and the remaining provisions shall continue in full force and effect to the same extent as would have been the case had such invalid or unenforceable provision or portion never been a part hereof, except to the extent the rights and obligations of the parties have been materially altered by such unenforceability.

Section 17.8  Further Assurances. From and after the date of this Lease, Lessor and Lessee, at the request of the other Party, shall make, execute and deliver or obtain and deliver all such affidavits, deeds, certificates, resolutions and other instruments and documents, and shall do or cause to be done all such other things that either Party may reasonably require in order to effectuate the provisions and the intention of this Lease.

Section 17.9  Captions. All captions, headings, paragraphs, subparagraphs, letters and other reference captions are solely for the purpose of facilitating convenient reference to this Lease, shall not supplement, limit or otherwise vary the text of this Lease in any respect, and
shall be wholly disregarded when interpreting the meaning of any terms or provisions hereof. All references to particular articles, sections, subsections, paragraphs and subparagraphs by number refer to the text of such items as so numbered in this Lease.

Section 17.10 Gender. Words of any gender used in this Lease shall be held and construed to include any other gender, and words of a singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

Section 17.11 Exhibits. Each and every exhibit referred to or otherwise mentioned in this Lease is attached to this Lease and is and shall be construed to be made a part of this Lease by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full at length every time it is referred to and otherwise mentioned.

Section 17.12 References. All references to paragraphs or subparagraphs shall be deemed to refer to the appropriate paragraph or subparagraph of this Lease. Unless otherwise specified in this Lease, the terms “herein,” “hereof,” “hereinafter,” “hereunder” and other terms of like or similar import, shall be deemed to refer to this Lease as a whole, and not to any particular paragraph or subparagraph hereof.

Section 17.13 Rights Cumulative. Except as expressly limited by the terms of this Lease, all rights, powers and privileges conferred hereunder shall be cumulative and not restrictive of those provided at law or in equity.

Section 17.14 Notices. All notices, requests, demands, or other communications required or permitted to be given hereunder shall be in writing and shall be addressed and delivered by hand or by certified mail, return receipt requested, or by Federal Express, or by hand delivery by a recognized, reputable courier, to each party at the addresses set forth below. Any such notice, request, demand or other communication shall be considered given or delivered, as the case may be, on the date of receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which proper notice was not given shall be deemed to be receipt of the notice, request, demand or other communication. By giving prior written notice thereof, any Party, from time to time, may change its address for notices hereunder. Legal counsel for the respective Parties may send to the other Party any notices, requests, demands or other communications required or permitted to be given hereunder by such Party.

If to Lessor, to: The Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057
Attention: Doug Guthrie, President and Chief Executive Officer

With a copy to: Goldfarb & Lipman LLP
1300 Clay Street
Suite 1100
Oakland, CA 94612
Attention: Michelle Brewer, Esq.

And a copy to: The Housing Authority of the City of Los Angeles
2600 Wilshire Blvd., Third Floor
Los Angeles, CA 90057
Attention: General Counsel

If to Lessee, to:  Pueblo del Sol II Housing Partners, L.P.
c/o The Related Companies of California, LLC
18201 Von Karman Avenue, Suite 900
Irvine, California 92612
Attention: Frank Cardone

With a copy to:  Bocarsly Emden Cowan Eismail & Arndt, LLP
633 W. Fifth Street, 64th Floor
Los Angeles, California 90071
Attention: Lance Bocarsly, Esq.

If to Investor, to:  GSB LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
Attention: Urban Investment Group Portfolio Manager
Email: gs-uig-portfolio-manager@gs.com

With a copy to:  GSB LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, NY 10282
Attention: Scott Maxfield
Email: scott.maxfield@gs.com

With a copy to:
Gsuig-docs@gs.com

________________________
Attention: ______________
Email: ________________

With a copy to:
GSB LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Bank USA
2001 Ross Avenue #2800
Dallas, TX 75201
Attention: Michael Dalton
Email: michael.dalton@gs.com

Section 17.15 Counterparts. This lease may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same agreement.
Section 17.16 **Time of Essence.** Time is and shall be of the essence in this Lease.

Section 17.17 **Relationship of Parties.** No relationship exists between Lessor and Lessee other than landlord and tenant. The parties hereto expressly declare that, in connection with the activities and operations contemplated by this Lease, they are neither partners nor joint venturers, nor does a debtor-creditor, principal-agent or any other relationship except as aforesaid, exist between them.

Section 17.18 **Multiple Leasehold Mortgages.** If at any time there shall be more than one Mortgage, the Mortgagee under the Bank Loan ("Bank Loan Mortgagee") shall be prior in lien and shall be vested with all of the rights of Mortgagee under this Lease, including, without limitation, the rights of Mortgagee under Articles 8, 10, 11, 14, 15, and 16 of this Lease (other than the provisions for receipt of notices) to the exclusion of any junior Mortgage and junior Mortgagee; provided, however, that (a) if the Bank Loan Mortgagee fails to or refuses to exercise its rights as a Mortgagee set forth under this Lease within the time periods prescribed herein for the exercise of such rights, each holder of a junior Mortgage in the order of priority of their respective liens shall have the right to exercise such rights; and (b) with respect to the right of a Mortgagee under Section 8.8 (right to request a New Lease), such right may, notwithstanding the limitation of time set forth in Section 8.8, if any, be exercised by the holder of any junior Mortgage, in the event the holder of a senior Mortgage shall have refused in writing to exercise such right or failed to have exercised such right within the time period set forth in Section 8.8.

Section 17.19 **Conflicts with Mortgage.** In the event of a default under a Mortgage, such Mortgagee may exercise with respect to the Leased Premises any right, power or remedy under the Mortgage which is not in conflict with the provisions of this Lease.

Section 17.20 **Attorney’s Fees.** In the event that any action, suit or proceeding is brought for the enforcement of, or the declaration of, any right or obligation pursuant to this Lease or as a result of any alleged breach of any provision of this Lease, each party shall bear its own costs and expenses, including attorneys’ fees, and any judgment or decree rendered in such a proceeding shall not include an award thereof.

Section 17.21 **Non-Liability of Governmental Officials and Employees; Conflicts of Interest.** No member, official, employee, agent, consultant, or contractor of Lessor shall be personally liable to Lessee or any successor or assign of Lessee in the event of any default or breach by Lessor hereunder, or for any amount which may become due to Lessee or any successor or assign of Lessee as a result of such default or breach, or for any of Lessor’s obligations under this Lease; provided, however, that the foregoing shall not void or diminish the obligations of Lessor under this Lease.

Lessee represents and warrants that to Lessee’s actual knowledge no member, official, employee, agent, consultant or contractor of Lessor has any direct or indirect personal interest in this Lease or participation in any decision relating to this Lease which affects his or her personal interests or the interests of any corporation, partnership or other entity in which he or she is, directly or indirectly, interested. Lessee further represents and warrants to Lessor that it has not paid or given, and will not pay or give, to any third party (other than as specifically set forth in this Lease) any money or other consideration for obtaining this Lease.

Except as may be expressly set forth herein, no present or future partner, shareholder, participant, employee, agent, officer or partner of or in Lessee shall have any personal liability,
directly or indirectly, under or in connection with this Lease; provided, however, that the 
foregoing shall not void or diminish the obligations of Lessee under this Lease.

Section 17.22 Consent; Reasonableness. Except as otherwise specified herein, in the 
event that Lessor or Lessee shall require the consent or approval of the other Party in fulfilling 
any agreement, covenant, provision or condition contained in this Lease, such consent or 
approval shall not be unreasonably withheld or delayed by the Party from whom such consent 
or approval is sought, or, if no time is given, within ten (10) business days of request therefor. 
Except as may be otherwise expressly set forth herein, approvals and disapprovals on the part 
of Lessor may be given by Lessor's chief executive officer.

Section 17.23 Non-Waiver of Governmental Rights. Nothing in this Lease shall be 
construed to in any way obligate Lessor or any other governmental agency or authority to take 
any discretionary action relating to the construction, development of operation of the Rental 
Development, including, but not limited to, condemnation, rezoning, variances, subdivision, 
environmental clearances or any other governmental approvals which are or may be required 
pursuant to Legal Requirements. Nothing in this Lease shall be construed to restrict or impair in 
any manner whatsoever any Legal Requirement or the exercise by Lessor of any governmental 
powers or rights thereunder.

ARTICLE 18
PARTICULAR COVENANTS

Section 18.1 Non-Discrimination. Lessee shall not discriminate against, or segregate 
any person or group of persons on the grounds of race, color, creed, religion, sex, sexual 
orientation, condition of Acquired Immune Deficiency Syndrome (AIDS) or AIDS related 
complex, marital status, national origin or ancestry or disability in the lease, sublease, transfer, 
use, occupancy, tenure or enjoyment of the Leased Premises nor shall Lessee, or any person 
claiming under or through Lessee, establish or permit any such practice or practices of 
discrimination or segregation with reference to the selection, location, number, use or 
occupancy of Tenants, lessees, subtenants, sublessees or vendees of the Leased Premises. 
The foregoing covenant shall run with the land. Lessor shall be entitled to invoke any remedies 
available at law or in equity to redress any breach of this subsection or to compel compliance 
therewith by Lessee. The obligations of Lessee to comply with this Section 18.1 shall inure to 
the benefit of Lessor. Lessor shall be entitled to invoke any remedies available at law or in 
equity to redress any breach of this Article 18 or to compel compliance therewith by Lessee.

Section 18.2 Mandatory Language in All Subsequent Deeds, Leases and Contracts.

All deeds, leases or contracts entered into by the Lessee on or after the date of 
execution of this Agreement as to any portion of the Rental Development or Leased Premises 
shall contain the following language:

(a) In deeds: “Grantee herein covenants by and for itself, its successors and 
assigns that there shall be no discrimination against or segregation of a person or of a group of 
persons on account of race, color, religion, creed, sex, sexual orientation, marital status, 
ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or 
enjoyment of the property herein conveyed nor shall the grantee or any person claiming under 
or through the grantee establish or permit any such practice or practices of discrimination or 
segregation with reference to the selection, location, number, use or occupancy of tenants,
lessees, subtenants, sublessee or vendees in the property herein conveyed. The foregoing covenant shall run with the land."

(b) In leases (except for leases from the Lessee to a residential tenant): “The lessee herein covenants by and for the lessee and lessee’s heirs, personal representatives and assigns and all persons claiming under the lessee or through the lessee that the lessee’s lease is made subject to the condition that there shall be no discrimination against or segregation of any person or of a group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the land herein leased nor shall the lessee or any person claiming under or through the lessee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, sublessees, subtenants, or vendees in the land herein leased."

(c) In contracts: “There shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, creed, sex, sexual orientation, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the land.”

Section 18.3 TCAC Lease Rider. At the time required by TCAC, Lessor and Lessee agree to execute and record against the Leased Premises in the official records of the County of Los Angeles a lease rider in the form required by TCAC.

ARTICLE 19
RAD PROVISIONS

Section 19.1 RAD Use Agreement. Notwithstanding any other clause or provision in this Lease, including but not limited to any mortgagee protection provision, and so long as the RAD Use Agreement dated as of substantially even date herewith, is in effect, the following provisions shall apply:

1. If any of the provisions of this Lease conflict with the terms of the RAD Use Agreement, the provisions of the RAD Use Agreement shall control.

2. The provisions in this Article 19 are required to be inserted into this Lease by HUD and may not be amended without HUD’s prior written approval.

3. Violation of the RAD Use Agreement constitutes a default of this Lease.

4. Notwithstanding any other contract, document or other arrangement, upon termination of this Lease, title to the real property leased herein shall remain vested in the Housing Authority of the City of Los Angeles and title to the buildings, fixtures, improvements, trade fixtures and equipment that belong to Lessee shall vest in the Housing Authority of the City of Los Angeles.

5. Neither the Lessee nor any of its partners shall have any authority to:

   a. Take any action in violation of the RAD Use Agreement; or
b. Fail to renew the RAD HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by Lessor or HUD.

c. Except to the extent permitted by the RAD HAP Contract or RAD Use Agreement and the normal operation of the Development, neither the Lessee nor any of Lessee's partners shall have any authority without the consent of Housing Authority of the City of Los Angeles to sell, transfer, convey, assign, mortgage, pledge, sublease or otherwise dispose of, at any time, the Development or any part thereof.

6. This Lease shall in all respects be subordinate to the RAD Use Agreement. Subordination continues in effect with respect to any future amendment, extension, renewal, or any other modification of the RAD Use Agreement or the Lease.
IN WITNESS WHEREOF, this Lease is made and entered into as of the Commencement Date.

LESSOR:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: ____________________________
    Douglas Guthrie
    President and Chief Executive Officer

APPROVED AS TO FORM:

______________________________
Authority Legal Counsel

By: ____________________________
    Becky Churchill Clark, Esq.

APPROVED AS TO FORM AND LEGALITY:

GOLDFARB & LIPMAN LLP,
Authority Special Counsel

By: ____________________________
    Michelle Brewer, Esq.

[signatures continue on following page]
LESSEE:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership

By: Related/ Pueblo del Sol II Development Co., LLC, a California limited liability company, its administrative general partner

By: ___________________________
   Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, its managing general partner

By: La Cienega LOMOD, Inc., a California nonprofit public benefit corporation, its member

By: ___________________________
   Tina Smith-Booth, President
EXHIBIT A

LEASED PREMISES
MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (the “Memorandum”) is made as of ______________, 2021, by and between the Housing Authority of the City of Los Angeles, California, a public body, corporate and politic (“Lessor”), and Pueblo del Sol II Housing Partners, L.P., a California limited partnership (“Lessee”), with respect to that certain Ground Lease dated as of ______________, 2021 (the “Lease”), between Lessor and Lessee.

Pursuant to the Lease, Lessor hereby leases to Lessee and Lessee leases from Lessor that certain real property, more particularly described in Exhibit A, attached hereto and incorporated herein (the “Property”). The Lease commenced on ______________ (the “Commencement Date”), and shall continue from such date until the sixty-fifth (65th) anniversary of the Commencement Date, unless sooner terminated in accordance with the terms of and conditions of the Lease.

This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Lease, of which this is a memorandum.
IN WITNESS WHEREOF, the parties have caused this Memorandum to be duly executed as of the date first above written.

LESSOR:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: _______________________________
Douglas Guthrie, President and Chief Executive Officer

[signatures continue on following page]
LESSEE:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P.,
a California limited partnership

By: Related/Pueblo del Sol II Development Co.,
LLC, a California limited liability company,
its administrative general partner

By: ____________________________
Frank Cardone, President

By: LOMOD PDS LLC, a California limited
liability company, its managing general
partner

By: La Cienega LOMOD, Inc., a
California nonprofit public benefit
corporation, its sole member and
manager

By: ____________________________
Tina Smith-Booth, President
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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

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

WITNESS my hand and official seal.

Signature _______________________________   (Seal)
EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

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EXCEPT THEREFROM THAT PORTION OF LAND DESCRIBED AS FOLLOWS:

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C-1
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APN: 5173-029-907, 5173-029-911; 5173-029-947
RECORDING REQUESTED BY

AND WHEN RECORDED MAIL TO:
Housing Authority of the City of Los Angeles
2600 Wilshire Blvd.
Los Angeles, CA 90057
Attention: Executive Director

No fee for recording pursuant to
Government Code Section 27383

Mail Tax Statements As Directed Above

(SPACE ABOVE THIS LINE FOR RECORDER’S USE)

The Undersigned Grantor(s) Declare(s):
CITY TRANSFER TAX $0
DOCUMENTARY TRANSFER TAX $0 Total consideration is less than $100.

[ ] computed on the consideration or full value of property conveyed, OR
[ ] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale.
[ ] City of Los Angeles

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF GROUND LEASE (the “Memorandum”) is made as of ________________, 2021, by and between the Housing Authority of the City of Los Angeles, California, a public body, corporate and politic (“Lessor”), and Pueblo del Sol II Housing Partners, L.P., a California limited partnership (“Lessee”), with respect to that certain Ground Lease dated as of ________________, 2021 (the “Lease”), between Lessor and Lessee.

Pursuant to the Lease, Lessor hereby leases to Lessee and Lessee leases from Lessor that certain real property, more particularly described in Exhibit A, attached hereto and incorporated herein (the “Property”). The Lease commenced on ________________ (the “Commencement Date”), and shall continue from such date until the sixty-fifth (65th) anniversary of the Commencement Date, unless sooner terminated in accordance with the terms of and conditions of the Lease.

This Memorandum shall incorporate herein all of the terms and provisions of the Lease as though fully set forth herein.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the Lease, of which this is a memorandum.
IN WITNESS WHEREOF, the parties have caused this Memorandum to be duly executed as of the date first above written.

LESSOR:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: ______________________________________
    Douglas Guthrie, President and Chief
    Executive Officer

[signatures continue on following page]
LESSEE:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P.,
a California limited partnership

By: Related/Pueblo del Sol II Development Co.,
LLC, a California limited liability company,
its administrative general partner

By: LOMOD PDS LLC, a California limited
liability company, its managing general
partner

By: La Cienega LOMOD, Inc., a
California nonprofit public benefit
corporation, its sole member and
manager

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

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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

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

WITNESS my hand and official seal.

Signature _______________________________   (Seal)
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

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

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WITNESS my hand and official seal.

Signature _______________________________   (Seal)
EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

PARCEL 1:

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APN: 5173-029-907, 5173-029-911; 5173-029-947
ACQUISITION LOAN AGREEMENT

between

HACLA PDS LLC

and

PUEBLO DEL SOL II HOUSING PARTNERS, L.P.

(Pueblo del Sol-Phase II)
ACQUISITION LOAN AGREEMENT
(Pueblo del Sol-Phase II)

This Acquisition Loan Agreement (the "Agreement"), dated for reference purposes only as of May 1, 2021, is entered by and between HACLA PDS LLC, a California limited liability company (the "Lender"), and PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership ("Borrower"), each a "Party" and collectively the "Parties," with reference to the following facts:

RECITALS

A. WHEREAS, these Recitals refer to and use certain capitalized terms that are defined in Section 1.1 of this Agreement, and the Parties intend to refer to those definitions in connection with their use of these Recitals.

B. WHEREAS, in 2002, the Housing Authority of the City of Los Angeles, a public body, corporate and politic (the "Authority") as lessor and Aliso Village II Housing Partners, L.P. a California limited partnership ("AVHP") as lessee, entered into a ground lease for that certain property located in the City of Los Angeles and more particularly described in Exhibit A hereto (the "Property").

C. WHEREAS, the Property constituted the site of the second phase of a two-phase redevelopment of a former public housing project known as Aliso Village, now known as Pueblo del Sol, in which AVHP caused the development of a one hundred seventy-six (176) unit low-income rental apartment project (the "Original Development").

D. WHEREAS, the Authority has formed and is the sole member and manager of the Lender.

E. WHEREAS, the Lender and Borrower desire to rehabilitate both phases of Pueblo del Sol to convert the public housing units in Pueblo del Sol to Section 8 units subsidized under the HUD Rental Assistance Demonstration ("RAD") Program and to convert certain units to Section 8 project-based voucher units, with the Property being the site of the second phase of the rehabilitation project.

F. WHEREAS, Borrower is a California limited partnership duly formed and authorized to do business in the State of California as Pueblo del Sol II Housing Partners, L.P., having Related/Pueblo del Sol II Development Co., LLC, a California limited liability company ("Related"), as its administrative general partner, and having LOMOD PDS LLC, a California limited liability company, or its affiliate, as its managing general partner.

G. WHEREAS, pursuant to the terms of that certain Disposition and Development Agreement for Pueblo del Sol-Phase II, between the Authority and Borrower, dated as of November 13, 2019 (the "DDA"), Borrower intends to rehabilitate the Original Development in accordance with the DDA, which rehabilitated development (the "Rental Development") will consist of one hundred seventy-six (176) units of rental housing that comply with all applicable tax rules and regulations under Section 42 of the Internal Revenue Code of 1986, as amended.
H. WHEREAS, the Lender acquired fee title to the Original Improvements from AVHP as described in the DDA, as amended;

I. WHEREAS, to facilitate the rehabilitation of the Original Development, the Authority and Borrower will enter into a new ground lease of the Property and the Lender will sell the Original Improvements to Borrower in fee. The sale of the Original Improvements to the Borrower will be partially financed by seller carry-back financing in the form of the loan made by the Lender to the Borrower pursuant to this Agreement in the original principal amount of Eighteen Million Seven Hundred Thirty Thousand Dollars ($18,730,000) (the "Loan Amount").

J. WHEREAS, the Rental Development shall be owned and operated during the Tax Credit Compliance Period by Borrower, and the rent-restricted units shall be leased to income-qualified tenants at affordable rents pursuant to all applicable requirements. The Parties acknowledge that, pursuant to an option and right of first refusal agreement to be executed at or about the time of this Agreement, the Authority or its instrumentality shall have the right to exercise an option to purchase the Rental Development.

NOW, THEREFORE, in consideration of the foregoing and other valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1. DEFINITIONS AND EXHIBITS; EFFECT OF DOCUMENTS

Section 1.1 Definitions.

The following capitalized terms have the meanings set forth in this Section 1.1 wherever used in this Agreement, unless otherwise provided:

(a) "Agreement" shall mean this Loan Agreement;

(b) "Approved Financing" shall mean all of the following loans acquired by the Borrower and approved by the Lender for the purpose of financing the Development, in addition to the Loan:

(i) the Bank Loan;

(ii) the Loan under this Agreement; and

(iii) Investor equity funds in the approximate amount of [_______________________ and No/100 Dollars ($_________)], approximately [_______________ and No/100 Dollars ($___________)] of which will be provided prior to Permanent Loan Conversion.

(c) "Authority" shall mean the Housing Authority of the City of Los Angeles, a public body, corporate and politic;

(d) "AVHP" shall mean Aliso Village II Housing Partners, L.P. a California limited partnership;
(e) "Bank Loan" shall mean that certain tax-exempt loan from the Housing Authority of the City of Los Angeles to Borrower, as evidenced by a certain Multifamily Note in the maximum principal amount of [________________ and No/100 Dollars ($___________)] dated as of __________, 2021, as endorsed to the Citibank, N.A., a national banking association;

(f) "Borrower" shall mean Pueblo del Sol II Housing Partners, L.P., a California limited partnership;

(g) "Borrower's Leasehold Estate" shall mean Borrower's leasehold interest in the Property acquired pursuant to the Ground Lease;

(h) "Closing" shall mean the date on which the Deed of Trust is recorded against the Borrower's Leasehold Estate;

(i) "Controlling Interest" shall have the meaning set forth in Section 4.10(a) below;

(j) "DDA" shall mean that certain Disposition and Development Agreement between the Authority and Borrower identified in Recital G;

(k) "Deed of Trust" shall mean that certain Acquisition Loan Leasehold Deed of Trust, Fixture Filing, Assignment of Rents, and Security Agreement that will encumber the Borrower's Leasehold Estate and the Improvements to secure repayment of the Loan in the form provided by the Lender;

(l) "Default" shall mean the occurrence of any event or circumstance described as such in Section 5.1 below;

(m) "Excess Proceeds" shall have the meaning given in Section 4.3;

(n) "Ground Lease" shall mean the lease entered into between the Authority as lessor and the Borrower as lessee, creating Borrower's Leasehold Estate;

(o) "Hazardous Materials" shall have the meaning ascribed in the Ground Lease;

(p) "HUD" shall mean the United States Department of Housing and Urban Development;

(q) "Imposition" shall have the meaning set forth in Section 4.7(a);

(r) "Improvements" shall mean the one hundred seventy-six (176) affordable Units to be rehabilitated within the Rental Development, together with every other structure or other immovable property affixed to the Property, of every kind and nature, to be acquired in fee by Borrower or later constructed, and comprising part of the Rental Development;
(s) "Investor" shall mean GSB LIHTC Investor LLC, a Delaware limited liability company and its successors and assigns;

(t) "Loan" shall mean the Lender seller-carryback loan to Borrower to be made under this Agreement in the amount of the Loan Amount, as evidenced by the Note and secured by the Deed of Trust;

(u) "Loan Amount" has the meaning set forth in Recital I.

(v) "Loan Documents" shall mean this Agreement, the Note, and the Deed of Trust;

(w) "LOMOD" shall mean LOMOD PDS LLC, a California limited liability company, or such affiliate, successor, or assign thereof as the managing general partner of Borrower pursuant to the Amended and Restated Partnership Agreement;

(x) "Net Cash Flow" shall have the meaning given in Section 2.6(b);

(y) "Note" shall mean the promissory note that will evidence Borrower's obligation to repay the Loan in the form provided by the Lender;

(z) "Original Development" shall have the meaning given in Recital C;

(aa) "Original Improvements" shall mean the improvements comprising the Original Development;

(bb) "Party" or "Parties" shall mean the Lender and Borrower;

(cc) "Permanent Loan Conversion" shall mean the conversion of the tax-exempt bond loan obtained by Borrower for the Rental Development from an interest-only construction phase to an amortizing permanent phase. The Permanent Loan Conversion shall occur after the Developer completes the rehabilitation and leases up the Rental Development.

(dd) "Property" shall mean the real property located in the City of Los Angeles, County of Los Angeles, State of California, more particularly described in the attached Exhibit A;

(ee) "RAD" means the HUD Rental Assistance Demonstration Program;

(ff) "Regulatory Agreements" shall mean, collectively, the RAD Use Agreement, California Tax Credit Allocation Committee regulatory agreement, bond regulatory agreement and any and all other regulatory agreements setting forth certain terms and conditions under which the Rental Development will be operated, including by restricting Units for occupancy by lower income households and placing limits on gross rents that may be charged to tenants;

(gg) "Related" shall mean Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, or such affiliate, successor, or assign thereof as the
administrative general partner of Borrower pursuant to the Amended and Restated Partnership Agreement;

(hh) "Rental Development" shall mean the rehabilitated Original Development, as described in Recital G;

(ii) "Term" shall have the meaning set forth in Section 2.6(a);

(jj) "Transfer" shall have the meaning set forth in Section 4.9 below;

(kk) "TRCC" shall mean the Related Companies of California, LLC, a California limited liability company, the same being the parent company of Related;

(ll) "Unit" means one of one hundred seventy-six (176) apartment units to be rehabilitated within the Rental Development.

Section 1.2 Exhibit.

The following exhibit is attached to this Agreement and incorporated into this Agreement by this reference:

EXHIBIT A: Legal Description of the Property

Section 1.3 Effect of Documents.

The Loan Documents, the DDA, and the Ground Lease shall all govern the rights and obligations of the Parties until the expiration of the Term of the DDA (as defined in the DDA) or other termination of the DDA ("DDA Termination"), each of which shall be interpreted to have full force and effect to the greatest extent possible; provided, however, that in the event of any inconsistency between the documents before the DDA termination, the DDA shall control as to issues of development and construction pertaining to the rehabilitation of the Rental Development. After DDA Termination, the Loan Documents and the Ground Lease exclusively shall govern the rights and obligations of the Parties with respect to the Property and the Rental Development, except where the DDA expressly provides that certain provisions shall survive termination. After termination of the Loan Documents, the Ground Lease exclusively shall govern the rights and obligations of the Parties with respect to the Property and the Rental Development, except where the Loan Documents expressly provide that certain provisions shall survive termination.

ARTICLE 2. LOAN PROVISIONS

Section 2.1 Loan.

To facilitate the sale of the Original Improvements to Borrower, the Lender shall provide Borrower seller carry-back financing in the form of the Loan in the principal amount of the Loan Amount for the purpose set forth in Section 2.3 of this Agreement. The obligation to repay the Loan shall be evidenced by the Note in the form provided by the Lender and payable pursuant to Section 2.6 below.
Section 2.2  Interest.

The Loan shall earn interest at a rate of two and one half percent (2.5%) per annum compounding annually.

Section 2.3  Use of Loan Funds.

The Loan is given as seller carry-back financing to assist Borrower in acquiring the Original Improvements. Notwithstanding the foregoing, Lender has agreed to deposit the Prepayment Amount (as defined in Section 2.6(b) below) in the “Seller Loan Proceeds Account of the Project Fund” as required by the documents evidencing the Bank Loan. Borrower and Lender hereby agree that Lender shall be deemed to have advanced the Prepayment Amount to Borrower, as an additional advance of the Loan, on the Conversion Date (as defined in the documents evidencing the Bank Loan). Lender and Borrower hereby direct and agree that the Prepayment Amount shall be used solely to repay the Bank Loan, and any investment earnings in excess of the Prepayment Amount on deposit in the Seller Loan Proceeds Account on the Conversion Date shall be remitted to Lender on the Conversion Date in accordance with the terms of the documents governing the Bank Loan.

Section 2.4  Security.

Borrower shall secure its obligation to repay the Loan, as evidenced by the Note, by executing and recording the Deed of Trust on the Borrower’s Leasehold Estate. The Deed of Trust shall be junior in lien priority to the deed of trust securing the Bank Loan. The Lender agrees to subordinate the Deed of Trust to the lien of the deed of trust securing the Bank Loan, provided the Lender receives adequate notice and cure rights pursuant to subordination agreements executed or agreed upon before Closing in a form approved by the Lender.

Section 2.5  Conditions Precedent to Closing.

The Lender shall not be obligated to proceed with the Closing under the Loan Documents unless and until each of the conditions precedent set forth in Sections 3.1 and 3.2 of the DDA have been satisfied or waived in accordance with the DDA.

Section 2.6  Repayment Schedule.

The Loan shall be repaid as follows:

(a)  Term. The Loan and this Agreement shall have a term that expires on the earlier of: (i) the date that is fifty-five (55) years following the date of Permanent Loan Conversion; (ii) the repayment of all principal and interest outstanding under the Loan; or (iii) May ____, 2076 (collectively, the "Term").

(b)  Currently with the Closing, Borrower shall repay a portion of the Loan to Lender in the amount of [$________________] (the “Prepayment Amount”).

(c)  Annual Payments. Commencing on the Net Cash Flow Payment Date, as defined in the Ground Lease, for the year following Permanent Loan Conversion, and on each
Net Cash Flow Payment Date thereafter for the Term of the Loan, Borrower shall make repayments of the Loan from Net Cash Flow, as defined in the Ground Lease, and seventy percent (70%) of Net Cash Flow shall be paid to the Lender toward the outstanding balance of the Loan until paid in full.

(d) Payment in Full. All principal and accrued interest on the Loan shall be due in full on the earlier to occur of, (i) the date of any Transfer not authorized by the Lender or otherwise permitted in accordance with this Agreement; (ii) the date of any Default; and (iii) the expiration of the Term.

(e) Prepayment. The Borrower shall have the right to prepay the Loan at any time without premium or penalty.

Section 2.7 Reports and Accounting of Net Cash Flow.

(a) Audited Financial Statements. In connection with the annual repayment of the Loan, the Borrower shall furnish to the Lender, on or before one hundred twenty (120) days after the end of Borrower's fiscal year, audited financial statements duly certified by an independent firm of certified public accountants reasonably acceptable to the Lender, setting forth the computation and amount of Net Cash Flow during the preceding calendar year and including an accounting of all revenue (including rental revenue, rental assistance payments and miscellaneous revenue), operating expenses, debt service payments, deposits to reserves and distributions to Borrower or other parties. The report shall include certification of the required deposits to, withdrawals from and balances of the replacement and operating reserves.

(b) Accounting Records; Audit. Borrower shall maintain on the Property, or at its primary office in Southern California, full and accurate books of account, records, cash receipts, and other pertinent data showing the Net Cash Flow relating to each calendar year, for a period of at least three (3) years following such calendar year. Such records shall include, without limitation, invoices, receipts, and other documentations of expenditures. The Lender shall have the right to inspect and audit such materials as set forth in subdivision (c) of this Section. If any audit by the Lender reveals that Borrower has underpaid any annual payment amounts owed under Section 2.6 above, then Borrower shall pay the amount of the underpayment promptly, together with interest thereon at the lesser of the maximum rate allowed by law or ten percent (10%). If the underpayment exceeds three percent (3%) of the correct amount, then Borrower shall also pay to the Lender the reasonable cost of such audit.

(c) Inspection of Books and Records. The Lender shall have the right, at its own cost and expense (except as set forth in Subsection (b) of this Section), from time to time upon five (5) days' prior written notice to Borrower, to inspect, copy, make transcripts of, and audit Borrower's books and records regarding the Rental Development as pertinent to the purposes of the Loan Documents, and to ascertain the accuracy of all payments to be made to the Lender under said Loan Documents. The Lender agrees to use its best efforts to conduct such inspections and audits in an orderly, non-disruptive manner. If the Lender finds any of Borrower's records insufficient, the Lender shall give Borrower written notice of the same, and Borrower shall have fifteen (15) calendar days from receipt of notice to correct the deficiency;
provided that if more than fifteen (15) days reasonably are required to correct the deficiency, Borrower shall begin to correct the deficiency within fifteen (15) days, and shall correct the deficiency as soon as reasonably possible thereafter.

Section 2.8 Non-Recourse.

Except as provided below, neither the Borrower nor any partner of the Borrower shall have any direct or indirect personal liability for payment of the principal of, or interest on, the Loan or the performance of the covenants of the Borrower under the Deed of Trust. The sole recourse of the Lender with respect to the principal of, or interest on, the Note and defaults by Borrower in the performance of its covenants under the Deed of Trust shall be to the property described in the Deed of Trust; provided, however, that nothing contained in the foregoing limitation of liability shall (a) limit or impair the enforcement against all such security for the Note of all the rights and remedies of the Lender thereunder, or (b) be deemed in any way to impair the right of the Lender to assert the unpaid principal amount of the Note as demand for money within the meaning and intention of Section 431.70 of the California Code of Civil Procedure or any successor provision thereto. The foregoing limitation of liability is intended to apply only to the obligation for the repayment of the principal of, and payment of interest on the Note and the performance of the Borrower's obligations under the Deed of Trust, except as hereafter set forth; nothing contained herein is intended to relieve the Borrower of its obligation to indemnify the Lender under Section 7.4 of this Agreement, for liability for: (i) fraud or willful misrepresentation; (ii) the failure to pay taxes, assessments or other charges which may create liens on the Property that are payable or applicable prior to any foreclosure under the Deed of Trust (to the full extent of such taxes, assessments or other charges); (iii) the fair market value of any personal property or fixtures removed or disposed of by Borrower other than in accordance with the Deed of Trust; and (iv) the misappropriation of any proceeds under any insurance policies or awards resulting from condemnation or the exercise of the power of eminent domain or by reason of damage, loss or destruction to any portion of the Property.

ARTICLE 3. COMPLIANCE WITH THE DDA AND GROUND LEASE

Section 3.1 Compliance with the DDA.

Subject to Section 1.3 of this Agreement, Borrower shall comply with the DDA prior to the DDA Termination, and shall comply thereafter with any provisions of the DDA that expressly survive the DDA Termination. Without limiting the generality of the foregoing, Borrower shall comply specifically with the provisions of the DDA relating to the development and construction of the Rental Development, including, without limitation, those provisions set forth in Articles 5 and 6 of the DDA.

Section 3.2 Compliance with the Ground Lease.

Borrower shall comply in all with respects with the Ground Lease, including, without limitation, Article 7 regarding maintenance of the Rental Development.
ARTICLE 4. LOAN REQUIREMENTS

Section 4.1 Annual Operating Budgets and Reports to Lender.

(a) At least sixty (60) calendar days prior to the commencement of the Development's fiscal year, Borrower shall submit to the Lender for its review and approval a proposed operating budget for the coming year, in a form satisfactory to the Lender. The proposed operating budget shall include projected income from all sources, projected expenses, including operating expenses, debt service and deposits to reserves. If the Lender has not responded to any submission of the proposed operating budget by Borrower within twenty (20) business days of receipt of such operating budget, the operating budget shall be deemed approved by the Lender.

(b) Not later than one hundred twenty (120) days after the close of each calendar year, Borrower shall submit to the Lender a statistical report, in form reasonably acceptable to the Lender, including income, occupancy, and rent data for all Units.

(c) In addition, within fifteen (15) days after receipt of a written request, Borrower shall provide any other information or completed forms reasonably requested by the Lender.

Section 4.2 Reserves.

Owner must deposit each year into a replacement reserve for the Property a minimum amount equal to Three Hundred Fifty Dollars ($350) per Unit. The Lender reserves the right to request an updated replacement reserve analysis every five (5) years. The Lender must approve in advance any withdrawal from the replacement reserve or the operating reserve in excess of Ten Thousand Dollars ($10,000).

Section 4.3 Post-Completion Audit; Cost Savings. No later than sixty (60) days following full occupancy of the Development, Borrower shall provide to Lender a financial accounting of all sources and uses of funds for the Development. Within ten (10) business days after Borrower's receipt of its limited partner(s)' capital contribution following the issuance of the IRS Form 8609 for the Project, Borrower shall pay to the Lender as a reduction of the outstanding principal balance of this Loan, a one-time payment in the amount of Excess Proceeds. "Excess Proceeds" shall mean the sum of all sources of financing received by Borrower for acquisition, construction and permanent financing of the Development, less the sum of actual uses as shown on the final cost certificate for the Development. In the event that any "upward tax credit adjuster" is paid to Borrower that has not been included in the calculation of Excess Proceeds pursuant to this Section, such amount shall be paid to the Lender as a reduction of the outstanding principal balance of this Note within thirty (30) days after Borrower's receipt of such funds.

Section 4.4 Information and Reporting.

(a) Borrower shall provide any information reasonably requested by the Lender in connection with the Development within five (5) business days, unless a shorter or longer time is requested by the Lender, including all information the Lender may need to comply
with HUD reporting requirements. Such HUD requirements may include, but are not limited to, monthly tracking of occupancy/vacancy, household size and income for all Units, including Units not subsidized by project- or tenant-based Section 8 vouchers.

(b) Such information and records may be inspected, copied, transcribed, or audited in a like manner as records described in Section 2.7 of this Agreement. Such information and records shall also be retained for the time period and in a like manner as records described in Section 2.7, unless HUD imposes additional requirements, including a longer retention period. Borrower shall correct any deficiency in its record keeping identified by the Lender on fifteen (15) days' written notice, in a like manner as described in Section 2.7.

Section 4.5 Hazardous Materials.

Borrower shall comply fully with Section 9.2 of the Ground Lease relating to Hazardous Materials, which is incorporated herein by this reference as though fully set forth, including all provisions for indemnification.

Section 4.6 Maintenance and Damage.

(a) Borrower hereby covenants that the Rental Development shall be maintained in a neat and orderly condition to the extent practicable and in accordance with industry health and safety standards. Any damage to the premises shall be repaired promptly in accordance with the Ground Lease, so as to protect the Lender's security interest in the Property.

(b) Notwithstanding anything to the contrary contained herein or in any of the Loan Documents, in the event of a casualty to the Property or any portion thereof or a condemnation affecting the Property or any portion thereof, if, as reasonably determined by Lender and Borrower, it is economically feasible to restore the Property to a physical condition substantially the same or functionally equivalent to that which existed prior to such casualty or condemnation, then (unless Lender and Borrower agree otherwise), Borrower shall deposit the insurance or condemnation proceeds, as applicable, into an account created by Borrower to be disbursed for reconstruction of the Property in accordance with such commercially reasonable construction disbursement requirements and procedures as Lender shall require. Notwithstanding the foregoing, to the extent that the holder of senior lien mortgage or deed of trust on the Property directs or consents to the rebuilding or restoration of the Property following a casualty or condemnation, Lender shall not declare a default hereunder and shall consent to such rebuilding or restoration and shall consent to the construction disbursement requirements and procedures required by such senior lien holder.

Section 4.7 Impositions and Utility Charges.

(a) Prior to delinquency, Borrower shall pay all fees, assessments, taxes, charges, and levies imposed by any public authority ("Impositions"), except that if any Imposition that Borrower is obligated to pay in whole or in part is permitted by law to be paid in installments, Borrower may pay or cause to be paid such Imposition (or its proportionate part thereof) in installments prior to delinquency. Upon the written request of the Lender, Borrower shall exhibit and deliver to the Lender evidence satisfactory to the Lender of payment of all Impositions. During the first and last years of the Term, all Impositions that shall become
payable during each calendar, fiscal, or tax year, as applicable, shall be ratably adjusted on a per
diem basis between Borrower and the Lender in accordance with the respective portions of such
calendar, fiscal, or tax year during the Term. If any special assessments are payable in
installments, Borrower shall pay only those installments that are due and for which the
delinquency date occurs during the Term for periods occurring during the Term. The Parties
acknowledge that Borrower intends to apply for an exemption for ad valorem taxes under
Section 214(g) of the California Revenue and Taxation Code.

(b) Borrower may contest any Imposition as set forth in Article 5 of the
Ground Lease.

(c) Borrower shall pay all utilities used, rendered, or supplied upon or in
connection with the Rental Development including, but not limited to, all charges for gas,
electricity, light, heat, or power, all telephone and other communications services, all water rents
and sewer service charges, and all sanitation fees or charges levied or charged against the
Property or Rental Development during the Term; provided, however, that Borrower shall have
no responsibility hereunder for the payment of utilities supplied by the respective providers
directly to Borrower's tenants for such tenants' use in connection with the occupancy of their
respective Units. The Lender shall have no responsibility for the payment of utility costs.

(d) If Borrower shall fail to pay any Imposition or utility charge before the
same becomes delinquent, the Lender may, at its election in order to protect its security interest,
pay such Imposition or utility charge (but shall have no obligation to pay the same), together
with any interest and penalties due thereon, and the amount so paid by the Lender shall be
payable to the Lender by Borrower within 60 days after the Lender's demand.

Section 4.8 Notice of Litigation.

Borrower shall promptly notify the Lender in writing of any litigation materially affecting
Borrower, the Property, or the Rental Development, and of any claims or disputes that involve a
material risk of such litigation.

Section 4.9 Nondiscrimination.

(a) Borrower covenants by and for itself and its successors and assigns that
there shall be no discrimination against or segregation of a person or of a group of persons on
account of race, color, religion, creed, sex, sexual orientation, gender, gender identification,
disability, marital status, ancestry, or national origin in the sale, lease, sublease, transfer, use,
occupancy, tenure, or enjoyment of the Property or of the Rental Development by Borrower, nor
shall Borrower or any person claiming under or through Borrower establish or permit any such
practice or practices of discrimination or segregation with reference to the selection, location,
number, use, or occupancy of tenants, lessees, subtenants, sublessees, or vendees of the Rental
Development.

(b) During the operation of the Rental Development, there shall be no
discrimination by Borrower on the basis of race, color, creed, religion, sex, sexual orientation,
gender, gender identification, marital status, national origin, ancestry, or disability in the hiring,
firing, promoting, or demoting of any person engaged in the operation of the Rental Development.

Section 4.10 Transfer.

(a) For purposes of this Agreement, "Transfer" shall mean any attempt by Borrower to, (i) demolish all or any portion of the Rental Development; (ii) make or permit any voluntary or involuntary, total or partial, sale, lease, assignment, conveyance, mortgage, pledge, encumbrance, or other transfer of any or all of any interest of Borrower in the Property (including any of the Improvements); or (iii) transfer, convey, or assign, (x) any interest in a managing member, general partner, or controlling affiliate or stockholder (any such interest being referred to as a "Controlling Interest") in Borrower, (ii) a Controlling Interest in any entity which has a Controlling Interest in Borrower, or (iii) any other interest in Borrower, or any partner or member thereof. The term "Transfer" also includes any assignment of the rights or duties under this Agreement, but excludes the leasing of any single Unit in the Rental Development to an occupant in compliance with the Regulatory Agreements.

(b) Except as provided in Article 16 of the Ground Lease, no Transfer shall be permitted without the prior written consent of the Lender, which the Lender may withhold in its discretion. The Loan shall automatically accelerate and be due in full upon any unauthorized Transfer. The Lender approves the grant of the security interests in the Property securing the Approved Financing, above, as well as the realization upon any security interest referenced therein. Notwithstanding anything to the contrary in this Agreement, Lender acknowledges that certain permanent debt related to the financing of the Rental Development which will be secured by a deed of trust senior to the Deed of Trust will not be fully amortizing and will have an outstanding balance at maturity (a “Senior Loan”). Lender hereby approves of and agrees to subordinate to any new loan (a “Take-Out Loan”), on terms and conditions that are materially comparable to the Senior Loan or otherwise reasonably acceptable to Lender, which Take-out Loan is necessary to refinance the Senior Loan and the principal amount of the Take-out Loan is equal to, or less than, the amount of the Senior Loan at the time of such refinancing.

(c) Any person to whom any Transfer is attempted without compliance with the requirements of this Section shall have no claim, right, or remedy whatsoever hereunder against the Lender, and the Lender shall have no duty to recognize any person claiming under or through the same.

Section 4.11 Insurance Requirements.

(a) During the Term, and without limiting Borrower's indemnification obligations hereunder, Borrower shall keep and maintain in force, at no cost or expense to the Lender, insurance in amounts required by, and in accordance with all provisions of, Article 6 of the Ground Lease, including, without limitation, "all risks" insurance covering all risks of physical loss or damage to the Rental Development, commercial general liability insurance, automobile liability insurance, and workers' compensation insurance.
(b) The obligations under this Section shall be subject to the terms and provisions of the Approved Financing documents, as set forth in Section 6.1 of the Ground Lease.

Section 4.12 Applicable Laws.

Borrower shall comply with all applicable federal, state and local laws, regulations and administrative requirements governing the Rehabilitation or the Rental Development, including any contractual obligations of any applicable housing assistance payments contract with the Authority. All such laws, regulations, administrative requirements, or contractual obligations shall govern in the event of any conflict with any provision of this Agreement.

Section 4.13 Construction Responsibility.

With respect to the Rehabilitation or subsequent construction activity, Borrower is solely responsible for all aspects of Borrower's conduct in connection with the Rental Development, including (but not limited to) the quality and suitability of the plans and specifications, 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 Lender with reference to the Rental Development is solely for the purposes of determining whether Borrower is complying with its obligations to the Lender, and may not be relied upon by Borrower or any third parties as a warranty or representation by the Lender as to the quality of the design or construction of the Rental Development.

Section 4.14 Regulatory Agreements.

Borrower shall, at all times throughout the Term, comply with all applicable requirements of the Regulatory Agreements for the term set forth in each such agreement unless the agreement is related pursuant to a foreclosure upon a mortgage; provided, however that, (i) in no event will any action be taken which violates Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended, regarding prohibitions against evicting, terminating tenancies, or increasing rent of tenants for a period of three (3) years after acquisition of a building by foreclosure or deed-in-lieu of foreclosure; and (ii) following foreclosure or deed-in-lieu of foreclosure, the Rental Development shall thereafter be subject to a post-foreclosure rent restriction, as defined in the Ground Lease.

ARTICLE 5. DEFAULT AND REMEDIES

Section 5.1 Events of Default.

Each of the following shall constitute a "Default" by Borrower under this Agreement if not cured by Borrower or Investor within the cure periods set forth below:

(a) Failure to Construct. Any default under Section 10.1 of the DDA.
(b) **Failure to Make Payment.** Failure to repay the principal and any interest on the Loan within thirty (30) days of receipt of written notice from the Lender that such payment is due pursuant to the Loan Documents.

(c) **Breach of Covenants.** Failure by Borrower to duly perform, comply with, or observe any of the conditions, terms, or covenants of any of the Loan Documents or the DDA, such failure having continued uncured for thirty (30) days after receipt of written notice thereof from the Lender to the Borrower; provided, however, that if the breach cannot be cured within thirty (30) days, the Borrower shall not be in breach so long as Borrower is diligently undertaking to cure such breach as promptly as reasonably possible not to exceed one hundred ninety (90) days; and provided further that if a different period or notice requirement is specified under any other section of this Article 5, the specific provisions shall control.

(d) **Default Under Other Loans.** Failure to make any payment or perform any of Borrower's covenants, agreements, or obligations under the loan documents evidencing and securing the Approved Financing following expiration of all applicable notice and cure periods and the acceleration by such lender of all amounts due.

(e) **Insolvency.** If Borrower (i) is or becomes insolvent or bankrupt or otherwise ceases to pay its debts as they mature or makes any arrangement with or for the benefit of its creditors or consents to or acquiesces in the appointment of a receiver, trustee, or liquidator of the Rental Development or for any substantial part of it; (ii) institutes any bankruptcy, winding up, reorganization, insolvency, arrangement, or similar proceeding under the laws of any jurisdiction, or any such proceeding is instituted against Borrower in any jurisdiction that is not stayed or dismissed within 90 days after its institution; (iii) files any action or answer admitting, approving, or consenting to any such proceeding; (iv) becomes subject to levy of any distress, execution, or attachment upon its property that interferes with its performance hereunder, and Borrower or Related (as applicable) fails within 90 days to discharge such levy, execution, or attachment, or to substitute another entity (whether or not an affiliate of Borrower or Related) acceptable to the Lender to perform the obligation of Borrower without material delay in performance; or (v) is convicted of any criminal offense or violation of the law.

(f) **Fraud or Willful Misconduct.** Any fraud or willful misconduct on the part of Borrower or Related with respect to this Agreement.

(g) **Suspension; Termination.** Borrower shall have voluntarily suspended its business, or Borrower shall have been dissolved or terminated other than a technical termination of the partnership for tax purposes.

(h) **Liens on Development.** There shall be filed any claim of lien (other than liens approved in writing by the Lender) against the Rental Development or any part thereof, or any interest or right made appurtenant thereto, or the service of any notice to withhold proceeds of the Loan and the continued maintenance of said claim of lien or notice to withhold for a period of twenty (20) days without discharge or satisfaction thereof or provision therefor (including, without limitation, the posting of bonds) satisfactory to the Lender.
(i) **Condemnation.** The condemnation, seizure, or appropriation of all or the substantial part of the Property and the Rental Development.

(j) **Unauthorized Transfer.** Any Transfer other than as permitted by Section 4.9.

(k) **Representation or Warranty Incorrect.** Any Borrower representation or warranty contained in this Agreement proving to have been knowingly incorrect in any material respect when made. After completion of the Improvements, Default may be declared under this subsection only if the failure of representation or warranty also has a material adverse effect on the operation of the Rental Development.

Section 5.2 **Notice to Investor.**

The Lender shall give to Investor at the address set forth in Section 7.9 hereof a duplicate copy of all notices of default or other notices that Lender may give to or serve in writing upon Borrower pursuant to the terms of this Agreement. The address of Investor set forth in Section 7.9 may be changed upon written notice delivered to Lender in the manner specified in Section 7.9 herein below. No notice of default given to Borrower shall be effective until the Investor receives such notice.

Section 5.3 **Right of Investor to Cure.**

The Investor shall have the right, but not the obligation, to cure any Default of Borrower during any applicable cure period described in the Loan Documents.

Section 5.4 **Remedies.**

The occurrence of any Default hereunder, following the expiration of all applicable notice and cure periods set forth in this Article, will give the Lender the right to proceed with any and all remedies set forth in this Agreement and the Loan Documents, including but not limited to the following:

(a) **Acceleration of Note.** The Lender shall have the right to cause all indebtedness of the Borrower to the Lender under this Agreement and the Note, together with any accrued interest thereon, to become immediately due and payable. The Borrower waives all right to presentment, demand, protest or notice of protest or dishonor. The Lender may proceed to enforce payment of the indebtedness and to exercise any or all rights afforded to the Lender as a creditor and secured party under the law including the Uniform Commercial Code, including foreclosure under the Deed of Trust. The Borrower shall be liable to pay the Lender on demand all reasonable expenses, costs and fees (including, without limitation, reasonable attorneys' fees and expenses) paid or incurred by the Lender in connection with the collection of the Loan and the preservation, maintenance, protection, sale, or other disposition of the security given for the Loan.

(b) **Specific Performance.** The Lender shall have the right to mandamus or other suit, action or proceeding at law or in equity to require Borrower to perform its obligations
and covenants under the Loan Documents or to enjoin acts on things which may be unlawful or in violation of the provisions of the Loan Documents.

(c) **Right to Cure at Borrower's Expense.** The Lender shall have the right (but not the obligation) to cure any monetary default by Borrower under a loan other than the Loan. The Borrower agrees to reimburse the Lender for any funds advanced by the Lender to cure a monetary default by Borrower upon demand therefor, together with interest thereon at the lesser of the maximum rate permitted by law or ten percent (10%) per annum from the date of expenditure until the date of reimbursement.

Section 5.5 **Right of Contest.**

Borrower shall have the right to contest in good faith any claim, demand, levy, or assessment the assertion of which would constitute a Default hereunder. Any such contest shall be prosecuted diligently and in a manner that is not prejudicial to the Lender or the rights of the Lender hereunder.

Section 5.6 **Remedies Cumulative.**

No right, power, or remedy given to the Lender by the terms of this Agreement or the Loan Documents is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the Lender by the terms of any such instrument, or by any statute or otherwise against Borrower and any other person. Neither the failure nor any delay on the part of the Lender to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the Authority of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 6. REPRESENTATIONS AND WARRANTIES OF BORROWER

Section 6.1 **Borrower's Warranty of Good Standing and Lender.**

Borrower hereby represents and warrants to the Lender as follows:

(a) **Organization.** Borrower is duly organized and validly existing and is (or shall be prior to the commencement of activities under this Agreement) in good standing under the laws of the State of California, and has the power and authority to own its property and carry on its business as now being conducted. Borrower shall provide an opinion to this effect from its counsel at the time of execution of this Agreement.

(b) **Authority of Borrower.** Borrower has full power and authority to execute and deliver this Agreement and to make and accept the borrowings contemplated hereunder, to execute and deliver the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, and to perform and observe the terms and provisions of all of the above.

(c) **Authority of Persons Executing Documents.** This Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be
executed and delivered, pursuant to this Agreement have been or will be executed and delivered by persons who are duly authorized to execute and deliver the same for and on behalf of Borrower, and all actions required under Borrower's organizational documents and applicable governing law for the authorization, execution, delivery and performance of this Agreement and the Loan Documents and all other documents or instruments executed and delivered, or to be executed and delivered, pursuant to this Agreement, have been duly taken (to the extent such actions are required as of the date of execution and delivery of the above-named documents).

(d) Valid and Binding Agreements. This Agreement and the Loan Documents and all other documents or instruments which have been executed and delivered pursuant to or in connection with this Agreement constitute or, if not yet executed or delivered, will when so executed and delivered constitute, legal, valid and binding obligations of Borrower enforceable against it in accordance with their respective terms, subject to the laws affecting creditors rights and principles of equity.

(e) No Breach of Law or Agreement. To the best knowledge of Borrower, after due inquiry, neither the execution nor delivery of this Agreement and the Loan Documents or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on Borrower, or any provision of the organizational documents of Borrower, or will conflict with or constitute a breach of or a default under any agreement to which Borrower is a party, or will result in the creation or imposition of any lien upon any assets or property of Borrower, other than liens established pursuant to the Loan Documents.

(f) Pending Proceedings. Except as disclosed in writing to Lender prior to execution of this Agreement, to the best knowledge of Borrower, after due inquiry, Borrower is not in default under any law or regulation or under any order of any court, board, commission or agency whatsoever, and, to the best of its knowledge, there are no claims, actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against or affecting Borrower or the Development, at law or in equity, before or by any court, board, commission or agency whatsoever.

(g) Financial Statements. The financial statements of Borrower and other financial data and information furnished by Borrower to the Lender fairly present the information contained therein. As of the date of this Agreement, there has not been any adverse, material change in the financial condition of Borrower from that shown by such financial statements and other data and information.

ARTICLE 7. GENERAL PROVISIONS

Section 7.1 Relationship of Parties.

Nothing contained in this Agreement shall be interpreted or understood by any of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the Lender and Borrower or
its agents, employees or contractors, and Borrower shall at all times be deemed an independent contractor and shall be wholly responsible for the manner in which it or its agents, or both, perform the services required of it by the terms of this Agreement. Borrower has and retains the right to exercise full control of employment, direction, compensation, and discharge of all persons assisting in the performance of services under the Agreement. In regards to the acquisition of the Property, construction of the Improvements, and operation of the Rental Development, Borrower shall be solely responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding, and all other laws and regulations governing such matters, and shall include requirements in each contract that contractors shall be solely responsible for similar matters relating to their employees. Borrower shall be solely responsible for its own acts and those of its agents and employees.

Section 7.2 No Claims.

Nothing contained in this Agreement shall create or justify any claim against the Lender by any person that Borrower may have employed or with whom Borrower may have contracted relative to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the acquisition of the Property, the construction of the Improvements, or the operation of the Rental Development, and Borrower shall include similar requirements in any contracts entered into for the acquisition of the Property, the construction of the Improvements, or the operation of the Rental Development.

Section 7.3 Amendments.

No alteration or variation of the terms of this Agreement shall be valid unless made in writing by the Parties.

Section 7.4 Indemnification.

Notwithstanding any other provision of any of the Loan Documents to the contrary, Borrower hereby agrees to indemnify, protect, hold harmless, and defend (by counsel reasonably satisfactory to the Lender) the Lender, its commissioners, officers, directors, agents, and employees 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 attorneys' fees and expenses, arising from or relating to Borrower's obligations under this Agreement, and the rehabilitation or operations of the Rental Development, except to the extent caused by the gross negligence or willful misconduct of the Lender, any of its commissioners, officers, directors, affiliates, agents, or employees.

Section 7.5 Non-Liability of Lender Officials, Employees and Agents.

No commissioner, officer, director, agent, or employee of the Lender shall be personally liable to Borrower in the event of any default or breach by the Lender, for any amount which may become due to Borrower or its successors or assigns, or on any obligation under the terms of this Agreement.
Section 7.6  **No Third Party Beneficiaries.**

There shall be no third party beneficiaries to this Agreement.

Section 7.7  **Discretion Retained By Lender.**

The Lender's execution of this Agreement in no way limits the discretion of the Lender in the review and approval process in connection with development of the Development.

Section 7.8  **Conflict of Interest.**

Borrower represents and warrants that to its actual knowledge, no member, official, employee, agent, consultant, or contractor of the Lender or of the Housing Authority of the City of Los Angeles has any direct or indirect personal interest in this Agreement or has participated in any decision relating to this Agreement that affects his or her personal interests or the interests of any corporation, partnership, partnership, or other entity in which he or she is, directly or indirectly, interested. Borrower further represents and warrants to the Lender that it has not paid or given, and will not pay or give, to any third party (other than as specifically set forth in the Loan Documents, the Ground Lease, or the DDA) any money or consideration for obtaining this Agreement.

Section 7.9  **Notices, Demands and Communications.**

Formal notices, demands, and communications under this Agreement shall be sufficiently given if, and shall not be deemed given unless, dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the Parties as follows:

**Lender:**

HACLA PDS LLC  
c/o Housing Authority of the City of Los Angeles  
2600 Wilshire Blvd., Third Floor  
Los Angeles, CA 90057  
Attention: Doug Guthrie,  
President and Chief Executive Officer

With a copy to:

Goldfarb & Lipman LLP  
1300 Clay Street, 11th Floor  
Oakland, CA 94612  
Attention: Michelle D. Brewer

**Borrower:**

Pueblo del Sol II Housing Partners, L.P.  
c/o The Related Companies of California, LLC

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18201 Von Karman Avenue, Suite 900
Irvine, CA 92612
Attention: Frank Cardone

with a copy to:

Bocarsly Emden Cowan Esmail & Arndt, LLP
633 W. Fifth Street, 64th Floor
Los Angeles, CA 90071
Attention: Lance Bocarsly, Esq.

Investor:

GSB LIHTC INVESTOR LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
Attention: Urban Investment Group Portfolio Manager
Email: gs-uig-portfolio-manager@gs.com

with a copy to:

GSB LIHTC INVESTOR LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, NY 10282
Attention: Scott Maxfield
Email: scott.maxfield@gs.com

with a copy to:

gs-uig-docs@gs.com

with a copy to:

GSB LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Bank USA
2001 Ross Avenue #2800
Dallas, TX 75201
Attention: Michael Dalton
Email: michael.dalton@gs.com
Such written notices, demands and communications may be sent in the same manner to such other addresses as the affected Party (or the Investor) may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt as the date of delivery or refusal of delivery (or attempted delivery if undeliverable). Copies of notice, sent to Borrower shall also be sent to any limited partner of Borrower who requests such notice in writing and provides its address.

Section 7.10 Applicable Law.

This Agreement shall be governed by California law.

Section 7.11 Parties Bound.

Except as otherwise limited herein, the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement is intended to run with the land and shall bind Borrower and its successors and assigns in the Property and the Rental Development for the entire Term, and the benefit hereof shall inure to the benefit of the Lender and its successors and assigns. Borrower acknowledges that the Lender may assign the Loan and the Loan Documents to the Authority.

Section 7.12 Attorneys' Fees.

In the event that any action, suit, or proceeding is brought for the enforcement of, or the declaration of, any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, each Party shall bear its own costs and expenses, including attorneys' fees, and any judgment or decree rendered in such a proceeding shall not include an award thereof.

Section 7.13 Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the 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.

Section 7.14 Force Majeure.

In addition to specific provisions of this Agreement, performance by either Party shall not be deemed to be in default where delays or defaults are due any cause beyond the control and without the fault or negligence of the Party. Such causes shall include, without limitation, (i) acts of God or of the public enemy; (ii) court order, acts, delays, failure or refusal to act on the part of a government entity in either its sovereign or contractual capacity; (iii) acts of a contractor (other than the Party asserting the existence of a force majeure) or subcontractor, in the performance of an agreement with the Lender (and not pursuant to a contract with the Party); (iv) riots, war, or acts of terrorism; (v) fires; (vi) floods or earthquakes; (vii) pandemics; (viii) quarantine restrictions; (ix) strikes or lockouts; (x) freight embargoes; (xi) litigation not due to a default by the Party asserting the existence of a force majeure, or its affiliates; (xii) non-issuance
of permits; (xiii) lack of HUD approval, if required; (xiv) unusually severe weather; (xv) the presence of hazardous materials or archeological finds on the Property; or (xvi) delays of subcontractors or suppliers at any tier arising from unforeseeable causes and not the fault of the Party asserting the existence of a force majeure. An extension of time for any cause will be deemed granted if notice by the Party claiming such extension is sent to the other within ten (10) days from the commencement of the cause and such extension of time is not rejected in writing by the other Party within ten (10) days of receipt of the notice. In no event shall the Lender be required to agree to cumulative delays in excess of one hundred eighty (180) days.

Section 7.15 Lender Approval.

(a) For all actions requiring Lender approval, Borrower shall submit the request for approval and supporting information with a notice that bears a bold face legend substantially as follows: "Important: Your Response is Required in ___ [insert number of days from applicable provision of this Agreement] Days."

(b) The Lender shall have a specified number of days to respond in writing. Lender's response, if not an approval, must include the basis for any objection in reasonable detail and suggested modifications to obtain approval. Unless otherwise specified in the Loan Documents, the amount of response time shall be stated in the notice, and shall be proportionate to the type and magnitude of the decision. For example, but not in limitation, the decision time for emergency situations shall be shorter than the time for review and approval of budgets.

(c) If Borrower does not receive a response within the specified number of days, it may send the Lender a notice of non-response, which shall be delivered care of the Authority and to the President and Chief Executive Officer of the Authority in accordance with the formal notice provisions hereof and which shall bear the bold-faced legend, "Important: Notice of Non-response." Following the giving of this notice, the Lender will have five (5) days in which to respond. If the Lender does not respond within such five (5) days, the Lender shall be deemed to have approved the action.

(d) Whenever this Agreement calls for Lender approval, consent, or waiver, the written approval, consent, or waiver of the President and Chief Executive Officer of the Authority shall constitute the approval, consent, or waiver of the Lender, without further authorization required from the Lender board. Any consents or approvals required under this Agreement shall not be unreasonably withheld or made, except where it is specifically provided that a sole discretion standard applies. The President and Chief Executive Officer is also hereby authorized to approve, on behalf of the Lender, requests by Borrower for reasonable extensions of time deadlines set forth in this Agreement. The Lender shall not unreasonably delay in reviewing and approving or disapproving any proposal by Borrower made in connection with this Agreement.

Section 7.16 Waivers.

Any waiver by the Lender of any obligation or condition in this Agreement must be in writing. No waiver will be implied from any delay or failure by the Lender to take action on any breach or default of Borrower or to pursue any remedy allowed under this Agreement or

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applicable law. Any extension of time granted to Borrower to perform any obligation under this Agreement shall not operate as a waiver or release from any of its obligations under this Agreement. Consent by the Lender to any act or omission by Borrower shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for the Lender's written consent to future waivers.

Section 7.17  Title of Parts and Sections.

Any titles of the sections or subsections of this Agreement are inserted for convenience of reference only and shall be disregarded in interpreting any part of the Agreement's provisions.

Section 7.18  Entire Understanding of the Parties.

This Agreement constitutes the entire understanding and agreement of the Parties with respect to the Loan.

Section 7.19  Multiple Originals; Counterpart.

This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

Section 7.20  Exhibits.

Exhibits A is incorporated into and hereby made a part of this Agreement.
WHEREAS, this Agreement has been entered into by the undersigned as of the date first above written.

LENDER:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, its sole member and manager

By: _____________________________
Douglas Guthrie
President and Chief Executive Officer
BORROWER:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, its administrative general partner

By: __________________________
    Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, its managing general partner

By: La Cienega LOMOD, Inc., a California nonprofit public benefit corporation, its sole member and manager

By: __________________________
    Tina Smith-Booth, President
PROMISSORY NOTE
(Pueblo del Sol-Phase II)

$18,730,000

Los Angeles, California
Dated for reference purposes only as of May 1, 2021

FOR VALUE RECEIVED, the undersigned, PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership ("Borrower"), promises to pay to the order of HACLA PDS LLC, a California limited liability company (the "Lender") at its office at 2600 Wilshire Boulevard, Third Floor, Los Angeles, CA 90057, or at such other place or places as the holder of this Note may from time to time designate, in lawful money of the United States, the principal sum of Eighteen Million Seven Hundred Thirty Thousand Dollars ($18,730,000), plus interest thereon pursuant to Section 2 below.

1. Borrower's Obligation.

This promissory note (the "Note") evidences the Borrower's obligation to pay the Lender the principal amount of Eighteen Million Seven Hundred Thirty Thousand Dollars ($18,730,000) for the funds loaned to the Borrower by the Lender as seller-financing for the acquisition of the Original Development described in the Acquisition Loan Agreement between the Borrower and the Lender of even date herewith (the "Loan Agreement"). All capitalized terms not otherwise defined in this Note shall have the meanings set forth in the Loan Agreement.

2. Interest.

The outstanding principal balance of this Note shall bear interest at a rate of two and one half percent (2.5%) per annum compounding annually, as set forth in the Loan Agreement; provided, however, that if a Default occurs, interest on the principal balance shall begin to accrue, as of the date of the Default and continuing until such time as the Loan funds are repaid in full or the Default is cured, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law.

3. Term and Repayment Requirements.

The term of this Note (the "Term") shall commence on the date of this Note and shall expire on the earlier of: (i) the date that is fifty-five (55) years following the date of Permanent Loan Conversion; or (ii) the repayment of all outstanding principal and interest due under this Note; or (iii) May ____, 2076. This Note shall be due and payable as set forth in Section 2.6 of the Loan Agreement.

4. Assumption.

(a) No Assumption.
This Note shall not be assumable by the successors and assigns of Borrower without the prior written consent of the Lender except as provided in the Loan Agreement.

(b) **Assignment by Lender.**

Borrower acknowledges that Lender shall have the right to assign this Note to the Housing Authority of the City of Los Angeles.

5. **Security.**

This Note is secured by a Leasehold Deed of Trust, Fixture Filing, Assignment of Rents and Security Agreement (the "Deed of Trust"), of even date herewith, wherein the Borrower is the Trustor and the Lender is the Beneficiary, covering the Borrower's Leasehold Estate.

6. **Terms of Payment.**

(a) All payments due under this Note shall be paid in currency of the United States of America, which at the time of payment is lawful for the payment of public and private debts.

(b) All payments on this Note shall be paid to the holder of this Note at the Housing Authority of the City of Los Angeles, 2600 Wilshire Boulevard, Third Floor, Los Angeles, CA 90057, Attention: President and Chief Executive Officer, or to such other place as the Lender may from time to time designate.

(c) All payments on this Note shall be without expense to the Lender, and the Borrower agrees to pay all costs and expenses, including re-conveyance fees and reasonable attorneys' fees of the Lender incurred in connection with the payment of this Note and the release of any security hereof.

(d) Notwithstanding any other provision of this Note, or any instrument securing the obligations of the Borrower under this Note, if, for any reason whatsoever, the payment of any sums by the Borrower pursuant to the terms of this Note would result in the payment of interest which would exceed the amount that the Lender may legally charge under the laws of the State of California, then the amount by which payments exceeds the lawful interest rate shall automatically be deducted from the principal balance owing on this Note, so that in no event shall the Borrower be obligated under the terms of this Note to pay any interest which would exceed the lawful rate.

(e) This Note shall be nonrecourse to the Borrower, pursuant to, and except as provided in Section 2.8 of the Loan Agreement.

7. **Default.**

(a) Subject to the notice and cure periods set forth in the Loan Agreement, any of the following shall constitute an event of default under this Note:
i. Any failure to pay, in full, any payment required under this Note within ten (10) days of written notice that such payment is due;

ii. Any failure in the performance by the Borrower of any term, condition, provision or covenant set forth in this Note subject to the notice and cure period set forth in Section 5.1 of the Loan Agreement;

iii. The occurrence of any event of Default under the Loan Agreement or Deed of Trust or other instrument securing the obligations of the Borrower under this Note, subject to notice and cure periods, if any, set forth therein.

(b) Upon the occurrence of such an event of default, subject to all applicable notice and cure periods, the entire unpaid principal balance, together with all interest thereon, and together with all other sums then payable under this Note and the Deed of Trust shall at the option of the Lender become immediately due and payable upon written notice by the Lender to the Borrower without further demand.

(c) The failure to exercise the remedy set forth in Subsection 7(b) above or any other remedy provided by law upon the occurrence of one or more of the foregoing events of default shall not constitute a waiver of the right to exercise any remedy at any subsequent time in respect to the same or any other default. The acceptance by the Lender of any payment which is less than the total of all amounts due and payable at the time of such payment shall not constitute a waiver of the right to exercise any of the foregoing remedies or options at that time or at any subsequent time, or nullify any prior exercise of any such remedy or option, without the express consent of the Lender, except as and to the extent otherwise provided by law. Any cure of any default or event of default made or tendered hereunder by the Investor shall be accepted or rejected on the same basis as if made or tendered by Borrower.

8. Waivers.

(a) The Borrower hereby waives diligence, presentment, protest and demand, and notice of protest, notice of demand, and notice of dishonor of this Note. The Borrower expressly agrees that this Note or any payment hereunder may be extended from time to time, and that the Lender may accept further security or release any security for this Note, all without in any way affecting the liability of the Borrower.

(b) No extension of time for payment of this Note or any installment hereof made by agreement by the Lender with any person now or hereafter liable for payment of this Note shall operate to release, discharge, modify, change or affect the original liability of the Borrower under this Note, either in whole or in part.

(c) The obligations of the Borrower under this Note shall be absolute, and the Borrower waives any and all rights to offset, deduct or withhold any payments or charges due under this Note for any reason whatsoever.

(a) All notices to the Lender or the Borrower shall be given in the manner and
at the addresses set forth in the Loan Agreement, or to such addresses as the Lender and the
Borrower may hereinafter designate. Copies of notices to Borrower from the Lender shall also
be provided by the Lender to the Investor at the address set forth in the Loan Agreement.

(b) The Borrower promises to pay all costs and expenses, including
reasonable attorneys' fees, incurred by the Lender in the enforcement of the provision of this
Note.

(c) This Note may not be changed orally, but only by an agreement in writing
signed by the party against whom enforcement of any waiver, change, modification or discharge
is sought.

(d) This Note shall be governed by and construed in accordance with the laws
of the State of California.

(e) The times for the performance of any obligations hereunder shall be
strictly construed, time being of the essence.

(f) This document, together with the Loan Documents, contains the entire
agreement between the parties as to the Loan.

(g) The indebtedness evidenced by this Note is and shall be subordinate in
right of payment to the prior payment in full of all amounts then due and payable (including, but
not limited to, all amounts due and payable by virtue of any default or acceleration or upon
maturity) with respect to the indebtedness evidenced by the Note (as defined by that certain
Multifamily Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Fixture
Filing by the Borrower in favor of the Housing Authority of the City of Los Angeles, in its
capacity as Governmental Lender thereunder, and assigned to U.S. Bank National Association, a
national banking association, as fiscal agent, on behalf of Citibank, N.A.), in the original
maximum principal amount not to exceed [$____________], executed by Borrower and payable
to Citibank, N.A. ("Senior Lender"), to the extent and in the manner provided in that certain
Subordination and Intercreditor Agreement, dated as of May 1, 2021, between Senior Lender and
the holder of this Note (the "Subordination Agreement"). The rights and remedies of the payee
and each subsequent holder of this Note shall be deemed, by virtue of such holder's acquisition
of this Note, to have agreed to perform and observe all of the terms, covenants and conditions to
be performed or observed by the "Junior Lender" under the Subordination Agreement.
IN WITNESS WHEREOF, Borrower has caused this Note to be executed and delivered on the date set forth above.

BORROWER:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, its administrative general partner

By: ______________________

Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, its managing general partner

By: La Cienega LOMOD, Inc. a California nonprofit public benefit corporation, its sole member and manager

By: ______________________

Tina Smith-Booth, President
ACQUISITION LOAN
LEASEHOLD DEED OF TRUST, FIXTURE FILING, ASSIGNMENT OF RENTS, AND SECURITY AGREEMENT
(Pueblo del Sol-Phase II)

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Deed of Trust"), dated for reference purposes only as of May 1, 2021, is made by and among PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership ("Trustor") and FIDELITY NATIONAL TITLE COMPANY OF CALIFORNIA, a California corporation ("Trustee") for the benefit of HACLA PDS LLC, a California limited liability company ("Beneficiary").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Trustor hereby irrevocably grants, transfers, conveys and assigns to Trustee, IN TRUST, WITH POWER OF SALE, for the benefit and security of Beneficiary, under and subject to the terms and conditions hereinafter set forth, Trustor's leasehold interest in the property located in the City of Los Angeles, County of Los Angeles, State of California, that is described in the attached Exhibit A, incorporated herein by this reference (the "Property").

TOGETHER WITH all interest, estates or other claims, both in law and in equity which Trustor now has or may hereafter acquire in the Property and the rents;

TOGETHER WITH all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, including (without limiting the generality of the foregoing) all tenements, hereditaments and appurtenances thereof and thereto;

TOGETHER WITH any and all buildings and improvements of every kind and description now or hereafter erected thereon, and all property of the Trustor now or hereafter affixed to or placed upon the Property;

TOGETHER WITH all building materials and equipment now or hereafter delivered to said property and intended to be installed therein;
TOGETHER WITH all right, title and interest of Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Property, and any and all sidewalks, alleys and strips and areas of land adjacent to or used in connection with the Property;

TOGETHER WITH all estate, interest, right, title, other claim or demand, of every nature, in and to such property, including the Property, both in law and in equity, including, but not limited to, all deposits made with or other security given by Trustor to utility companies, the proceeds from any or all of such property, including the Property, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Trustor now has or may hereafter acquire, any and all awards made for the taking by eminent domain or by and proceeding or purchase in lieu thereof of the whole or any part of such property, including without limitation, any awards resulting from a change of grade of streets and awards for severance damages to the extent Beneficiary has an interest in such awards for taking as provided in Article 4 herein; and

TOGETHER WITH all of Trustor's interest in all building materials, fixtures, equipment, work in process and other personal property to be incorporated into the Property; all goods, materials, supplies, fixtures, equipment, machinery, furniture and furnishings, signs and other personal property now or hereafter appropriated for use on the Property, whether stored on the Property or elsewhere, and used or to be used in connection with the Property; all rents, issues and profits, and all inventory, accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes, drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and service marks arising from or related to the Property and any business conducted thereon by Trustor; all replacements, additions, accessions and proceeds; and all books, records and files relating to any of the foregoing.

All of the foregoing, together with the Property, is herein referred to as the "Security." To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever.

FOR THE PURPOSE OF SECURING:

A. Payment of just indebtedness of Trustor to Beneficiary as set forth in the Note (defined in Article 1 below) until paid or cancelled. Said principal, interest and other payments shall be due and payable as provided in the Note. Said Note and all its terms are incorporated herein by reference, and this conveyance shall secure any and all extensions thereof, however evidenced; and

B. Payment of any sums advanced by Beneficiary to protect the Security pursuant to the terms and provisions of this Deed of Trust following a breach of Trustor's obligation to advance said sums and the expiration of any applicable cure period, with interest thereon as provided herein; and

C. Performance of every obligation, covenant or agreement of Trustor contained herein and in the Loan Documents (defined in Section 1.3 below).
AND TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR COVENANTS AND AGREES:

ARTICLE 1. DEFINITIONS

In addition to the terms defined elsewhere in this Deed of Trust, the following terms shall have the following meanings in this Deed of Trust:

Section 1.1. The term "Hazardous Materials" means any oil or any fraction thereof or petroleum products or “hazardous substance” as defined in Section 101(14) of CERCLA (42 U.S.C. Section 9601(14) or Section 25281(h) or 25316 of the California Health and Safety Code at such time; any “hazardous waste,” “infectious waste” or “hazardous material” as defined in Section 25117, 25117.5 or 25501(j) of the California Health and Safety Code at such time; any other waste, substance or material designated or regulated in any way as “toxic” or “hazardous” in the RCRA (42 U.S.C. Section 6901 et seq.), CERCLA Federal Water Pollution Control Act (33 U.S.C. Section 1251 et seq.), Safe Drinking Water Act (42 U.S.C. Section 300(f) et seq.), Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.), Clean Air Act (42 U.S.C. Section 7401 et seq.), California Health and Safety Code (Section 25100 et seq., Section 39000 et seq.), or California Water Code (Section 13000 et seq.), at such time; and any additional wastes, substances or material which at such time are classified, considered or regulated as hazardous or toxic under any other present or future environmental or other similar laws relating to the Property, but excluding any substances or materials used in the rehabilitation or the maintenance or operation of the Rental Development, so long as the same are used in accordance with all applicable laws.

Section 1.2. The term "Hazardous Materials Law" means all federal, state, and local laws, ordinances, regulations, orders and directives pertaining to Hazardous Materials in, on or under the Property or any portion thereof.

Section 1.3. The term "Loan Agreement" means that certain Acquisition Loan Agreement between the Trustor and the Beneficiary, of even date herewith, providing for the Beneficiary to loan to the Trustor Eighteen Million Seven Hundred Thirty Thousand Dollars ($18,730,000) to assist in acquisition of certain improvements located on the Property, as provided in the Loan Agreement. Terms not defined elsewhere in this Deed of Trust shall have the meaning ascribed to them in the Loan Agreement.

Section 1.4. The term "Loan Documents" means this Deed of Trust, the Note, the Loan Agreement, and any other debt, loan or security instruments between Trustor and the Beneficiary relating to the Property.

Section 1.5. The term "Note" means that certain promissory note in the amount of Eighteen Million Seven Hundred Thirty Thousand Dollars ($18,730,000) of even date herewith executed by the Trustor in favor of the Beneficiary, the payment of which is secured by this Deed of Trust. (Copies of the Note are on file with the Beneficiary and terms and provisions of the Note are incorporated herein by reference.) The Note shall be nonrecourse to Trustor, pursuant to and except as provided in Section 2.8 of the Loan Agreement.
Section 1.6. The term "Principal" means the principal amount of the loan secured hereby, in the amount of Eighteen Million Seven Hundred Twenty-Five Thousand Dollars ($18,725,000), as stated in the Note.

ARTICLE 2.
MAINTENANCE AND MODIFICATION OF THE PROPERTY AND SECURITY

Section 2.1. Maintenance and Modification of the Property by Trustor.

The Trustor agrees that at all times prior to full payment of the sum owed under the Note, the Trustor will, at the Trustor's own expense, maintain, preserve and keep the Security or cause the Security to be maintained and preserved in good condition. The Trustor will from time to time make or cause to be made all repairs, replacements and renewals deemed proper and necessary by it. The Beneficiary shall have no responsibility in any of these matters or for the making of improvements or additions to the Security.

The Trustor agrees to pay fully and discharge (or cause to be paid fully and discharged) all claims for labor done and for material and services furnished in connection with the Security, diligently to file or procure the filing of a valid notice of cessation upon the event of a cessation of labor on the work or construction on the Security for a continuous period of thirty (30) days or more, and to take all other reasonable steps to forestall the assertion of claims of lien against the Security of any part thereof. The Trustor irrevocably appoints, designates and authorizes the Beneficiary as its agent (said agency being coupled with an interest) with the authority, but without any obligation, to file for record any notices of completion or cessation of labor or any other notice that the Beneficiary deems necessary or desirable to protect its interest in and to the Security or the Loan Documents; provided, however, that the Beneficiary shall exercise its rights as agent of the Trustor only in the event that the Trustor shall fail to take, or shall fail to diligently continue to take, those actions as hereinbefore provided.

Upon demand by Beneficiary, the Trustor shall make or cause to be made such demands or claims as the Beneficiary shall specify upon laborers, materialmen, subcontractors or other persons who have furnished or claim to have furnished labor, services or materials in connection with the Security. Nothing herein contained shall require the Trustor to pay any claims for labor, materials or services which the Trustor in good faith disputes and is diligently contesting provided that the Trustor shall, within thirty (30) days after the filing of any claim of lien, record in the Office of the Registrar-Recorder/County Clerk of the County of Los Angeles, a surety bond in an amount one and one-half times the amount of such claim item to protect against a claim of lien.

Section 2.2. Granting of Easements.

Trustor may not grant easements, licenses, rights-of-way or other rights or privileges in the nature of easements with respect to any property or rights included in the Security except those required or desirable for installation and maintenance of public utilities including, without limitation, water, gas, electricity, sewer, telephone or those required by law, including easements, licenses, rights-of-way or similar rights or privileges required as conditions of approval of any subdivision map or other entitlement necessary to develop the Property in the
manner contemplated by the parties. As to these exceptions, Beneficiary will grant and/or direct the Trustee to grant such easements as requested by Trustor in writing.

Section 2.3. Assignment of Rents.

As part of the consideration for the indebtedness evidenced by the Note, Trustor hereby absolutely and unconditionally assigns and transfers to Beneficiary all the rents and revenues of the Property including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Trustor hereby authorizes Beneficiary or Beneficiary's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Beneficiary or Beneficiary's agents; provided, however, that prior to written notice given by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, Trustor shall collect and receive all rents and revenues of the Property as trustee for the benefit of Beneficiary and Trustor to apply the rents and revenues so collected to the sums secured by this Deed of Trust with the balance, so long as no such breach has occurred, to the account of Trustor, it being intended by Trustor and Beneficiary that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents, after the expiration of applicable notice and cure periods, and without the necessity of Beneficiary entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Beneficiary shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section 2.3 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Trustor as trustee for the benefit of Beneficiary only; provided, however, that the written notice by Beneficiary to Trustor of the breach by Trustor shall contain a statement that Beneficiary exercises its rights to such rents. Trustor agrees that commencing upon delivery of such written notice of Trustor's breach by Beneficiary to Trustor, each tenant of the Property shall make such rents payable to and pay such rents to Beneficiary or Beneficiary's agents on Beneficiary's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Trustor.

Except pursuant to financing approved by the Beneficiary, Trustor hereby covenants that Trustor has not executed any prior assignment of said rents, that Trustor has not performed, and will not perform, any acts or has not executed and will not execute, any instrument which would prevent Beneficiary from exercising its rights under this Section 2.3, and that at the time of execution of this Deed of Trust, there has been no anticipation or prepayment of any of the rents of the Property for more than two (2) months prior to the due dates of such rents. Trustor covenants that Trustor will not hereafter collect or accept payment of any rents of the Property more than two (2) months prior to the due dates of such rents. Trustor further covenant that Trustor will execute and deliver to Beneficiary such further assignments of rents and revenues of the Property as Beneficiary may from time to time request.
Upon Trustor's breach of any covenant or agreement of Trustor in the Loan Documents, and following the expiration of applicable notice and cure periods, Beneficiary may in person, by agent or by a court-appointed receiver, regardless of the adequacy of Beneficiary's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Beneficiary elects to seek the appointment of a receiver for the Property upon Trustor's breach of any covenant or agreement of Trustor in this Deed of Trust and following the expiration of applicable notice and cure periods, Trustor hereby expressly consents to the appointment of such receiver. Beneficiary or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

All rents and revenues collected subsequent to delivery of written notice by Beneficiary to Trustor of the breach by Trustor of any covenant or agreement of Trustor in the Loan Documents shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Trustor as lessor or landlord of the Property and then to the sums secured by this Deed of Trust. Beneficiary or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Beneficiary shall not be liable to Trustor, anyone claiming under or through Trustor or anyone having an interest in the Property by reason of anything done or left undone by Beneficiary under this Section 2.3.

If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Beneficiary for such purposes shall become indebtedness of Trustor to Beneficiary secured by this Deed of Trust pursuant to Section 3.3 hereof. Unless Beneficiary and Trustor agree in writing to other terms of payment, such amounts shall be payable upon notice from Beneficiary to Trustor requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in Section 3.3.

Any entering upon and taking and maintaining of control of the Property by Beneficiary or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Beneficiary under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Deed of Trust ceases to secure indebtedness held by Beneficiary.

ARTICLE 3.
TAXES AND INSURANCE; ADVANCES

Section 3.1. Taxes, Other Governmental Charges and Utility Charges.
Trustor shall pay, or cause to be paid, prior to the date of delinquency, all taxes, assessments, charges and levies imposed by any public authority or utility company which are or may become a lien affecting the Security or any part thereof; provided, however, that Trustor shall not be required to pay and discharge any such tax, assessment, charge or levy so long as (a) the legality thereof shall be promptly and actively contested in good faith and by appropriate proceedings, and (b) Trustor maintains reserves adequate to pay any liabilities contested pursuant to this Section 3.1. With respect to taxes, special assessments or other similar governmental charges, Trustor shall pay such amount in full prior to the attachment of any lien thereon on any part of the Security; provided, however, if such taxes, assessments or charges may be paid in installments, Trustor may pay in such installments. Except as provided in clause (b) of the first sentence of this paragraph, the provisions of this Section 3.1 shall not be construed to require that Trustor maintain a reserve account, escrow account, impound account or other similar account for the payment of future taxes, assessments, charges and levies.

In the event that Trustor shall fail to pay any of the foregoing items required by this Section to be paid by Trustor, Beneficiary may (but shall be under no obligation to) pay the same, after the Beneficiary has notified the Trustor of such failure to pay and the Trustor fails to fully pay such items within seven (7) business days after receipt of such notice. Any amount so advanced therefor by Beneficiary, together with interest thereon from the date of such advance at the maximum rate permitted by law, shall become an additional obligation of Trustor to the Beneficiary and shall be secured hereby, and Trustor agrees to pay all such amounts.

Section 3.2. Provisions Respecting Insurance.

Trustor agrees to provide insurance conforming in all respects to that required under the Loan Documents during the course of construction and following completion, and at all times until all amounts secured by this Deed of Trust have been paid and all other obligations secured hereunder fulfilled, and this Deed of Trust reconveyed.

All such insurance policies and coverages shall be maintained at Trustor's sole cost and expense. Certificates of insurance for all of the above insurance policies, showing the same to be in full force and effect, shall be delivered to the Beneficiary upon demand therefor at any time prior to the Beneficiary's receipt of the entire Principal and all amounts secured by this Deed of Trust.

Trustor is aware that California Civil Code Section 2955.5(a) provides that no lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

Section 3.3. Advances.

In the event the Trustor shall fail to maintain the full insurance coverage required by this Deed of Trust or shall fail to keep the Security in accordance with the Loan Documents, the Beneficiary, after at least seven (7) days prior notice to Trustor, may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all
amounts so advanced therefor by the Beneficiary shall become an additional obligation of the Trustor to the Beneficiary (together with interest as set forth below) and shall be secured hereby, which amounts the Trustor agrees to pay on the demand of the Beneficiary, and if not so paid, shall bear interest from the date of the advance at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

ARTICLE 4.

DAMAGE, DESTRUCTION OR CONDEMNATION

Section 4.1. Insurance Proceeds.

Subject to the rights of senior lenders and the terms of the Loan Agreement, all judgments, awards of damages, settlements and compensation made in connection with or in lieu of (1) taking of all or any part of or any interest in the Property by or under assertion of the power of eminent domain, (2) any damage to or destruction of the Property or in any part thereof by insured casualty, and (3) any other injury or damage to all or any part of the Property ("Funds") are hereby assigned to and shall be paid to the Beneficiary by a check made payable to the Beneficiary. The Beneficiary is authorized and empowered (but not required) to collect and receive any funds and is authorized to apply them in whole or in part upon any indebtedness or obligation secured hereby, in such order and manner as the Beneficiary shall determine at its sole option. The Beneficiary shall be entitled to settle and adjust all claims under insurance policies provided under this Deed of Trust and may deduct and retain from the proceeds of such insurance the amount of all expenses incurred by it in connection with any such settlement or adjustment. All or any part of the amounts so collected and recovered by the Beneficiary may be released to Trustor upon such conditions as the Beneficiary may impose for its disposition. Application of all or any part of the Funds collected and received by the Beneficiary or the release thereof shall not cure or waive any default under this Deed of Trust. The rights of the Beneficiary under this Article 4 are subject to the rights of any senior mortgage Beneficiary and to the rights of lessor under the ground lease. Notwithstanding the provisions of this Section 4.1, the Beneficiary shall release the Funds to Trustor to be used to reconstruct the improvements on the Property provided that Beneficiary reasonably determines that Trustor has sufficient funds to rebuild.

Section 4.2. Reconstruction of the Property.

Notwithstanding anything to the contrary, but subject to the rights of senior lenders, contained herein or in any of the documents evidencing or securing the Loan, in the event of a casualty to the Security (or any portion thereof) or a condemnation affecting the Security or any portion thereof: if, as reasonably determined by Trustor and Beneficiary, adequate proceeds are available to restore the Security to a physical condition substantially the same or functionally equivalent to that which existed prior to such casualty or condemnation, then (unless Trustor and Beneficiary agree otherwise), Trustor shall deposit the insurance or condemnation proceeds, as applicable, into an account created by Trustor to be disbursed for reconstruction of the Security in accordance with such commercially reasonable construction disbursement requirements and procedures as Beneficiary shall require. Notwithstanding the foregoing, to the extent that the holder of senior lien mortgage or deed of trust on the Property directs or consents to the rebuilding or restoration of the Property following a casualty or condemnation, Beneficiary shall
not declare a default hereunder and shall consent to such rebuilding or restoration and shall consent to the construction disbursement requirements and procedures required by such senior lien holder.

ARTICLE 5.
AGREEMENTS AFFECTING THE PROPERTY; FURTHER ASSURANCES; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.1. Other Agreements Affecting Property.

The Trustor shall duly and punctually perform all terms, covenants, conditions and agreements binding upon it under the Loan Documents and any other agreement of any nature whatsoever now or hereafter involving or affecting the Security or any part thereof.

Section 5.2. Agreement to Pay Attorneys' Fees and Expenses.

In the event of any Event of Default (as defined below) hereunder, and if the Beneficiary should employ attorneys or incur other expenses for the collection of amounts due or the enforcement of performance or observance of an obligation or agreement on the part of the Trustor in this Deed of Trust, the Trustor agrees that it will, on demand therefor, pay to the Beneficiary the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Beneficiary; and any such amounts paid by the Beneficiary shall be added to the indebtedness secured by the lien of this Deed of Trust, and shall bear interest from the date such expenses are incurred at the lesser of ten percent (10%) per annum or the maximum rate permitted by law.

Section 5.3. Payment of the Principal.

The Trustor shall pay to the Beneficiary the Principal and any other payments as set forth in the Note in the amounts and by the times set out or referred to therein.

Section 5.4. Personal Property.

To the maximum extent permitted by law, the personal property subject to this Deed of Trust shall be deemed to be fixtures and part of the real property and this Deed of Trust shall constitute a fixtures filing under the California Commercial Code. As to any personal property not deemed or permitted to be fixtures, this Deed of Trust shall constitute a security agreement under the California Commercial Code.

Section 5.5. Financing Statement.

The Trustor shall execute and deliver to the Beneficiary such financing statements pursuant to the appropriate statutes, and any other documents or instruments as are required to convey to the Beneficiary a valid perfected security interest in the Security. The Trustor agrees to perform all acts which the Beneficiary may reasonably request so as to enable the Beneficiary to maintain such valid perfected security interest in the Security in order to secure the payment of the Note in accordance with its terms. The Beneficiary is authorized to file a copy of any such
financing statement in any jurisdiction(s) as it shall deem appropriate from time to time in order to protect the security interest established pursuant to this instrument.

Section 5.6. Operation of the Security.

The Trustor shall operate the Security (and, in case of a transfer of a portion of the Security subject to this Deed of Trust, the transferee shall operate such portion of the Security) in full compliance with the Loan Documents.

Section 5.7. Inspection of the Security.

At any and all reasonable times upon twenty-four (24) hours' prior written notice, the Beneficiary and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, without payment of charges or fees, to inspect the Security.

Section 5.8. Nondiscrimination.

The Trustor herein covenants by and for itself, its 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 race, color, creed, religion, sex, sexual orientation, gender, gender identity, disability, marital status, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall the Trustor itself or any person claiming under or through it establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the Security. The foregoing covenants shall run with the land.

ARTICLE 6.
HAZARDOUS WASTE

Section 6.1. Covenants.

The Trustor hereby covenants and agrees that:

(a) Trustor shall not knowingly permit the Property 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 Property in violation of any applicable law;

(b) Trustor shall keep and maintain the Property and each portion thereof in compliance with, and shall not cause or permit the Property or any portion thereof to be in violation of, any Hazardous Materials Laws;

(c) Upon receiving actual knowledge of the same, Trustor shall immediately advise Beneficiary in writing of:
(1) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened against Trustor or the Property pursuant to any applicable Hazardous Materials Laws;

(2) any and all claims made or threatened by any third party against Trustor or the Property 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”); or

(3) the presence of any Hazardous Materials in, on or under the Property in such quantities which require reporting to a government agency; or

(4) Trustor's discovery of any occurrence or condition in violation of the provisions of California Health and Safety Code Sections 25220 et seq., or any regulation relating thereto, or to be otherwise subject to any restrictions on the ownership, occupancy, transferability or use of the Property under any Hazardous Materials Laws.

If Beneficiary reasonably determines that Trustee is not adequately responding to a Hazardous Material Claim or any condition in described in this Section, Beneficiary shall have the right 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 to have its reasonable attorney’s fees in connection therewith paid by the Lessee.

(d) Without Beneficiary's prior written consent, which shall not be unreasonably withheld or delayed, Trustor shall not take any remedial action in response to the presence of any Hazardous Materials on, under, or about the Property (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.

Section 6.2. Trustor's Knowledge.

The Trustor hereby acknowledges and agrees that the Trustor's duties, obligations and liabilities under this Deed of Trust are in no way limited or otherwise affected by any information the Beneficiary may have concerning the Security and/or the presence within the Security of any Hazardous Materials, whether the Beneficiary obtained such information from the Trustor or from its own investigations.

Section 6.3. Indemnification.

(a) Trustor hereby agrees to indemnify, protect, hold harmless and defend (by counsel reasonably satisfactory to Beneficiary) Beneficiary, its board members, directors, commissioners, officers, agents, successors, assigns and employees (the “Indemnitees”) 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, attorney’s fees and expenses), arising directly or indirectly, in whole or in part, out of:

(1) The failure of Trustor or any other person or entity on or after the execution date hereof, 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 Property;

(2) Any release or discharge of any Hazardous Materials into, on, under or from the Property, arising on or after execution date hereof, or the presence in, on, or under the Property of any Hazardous Materials that occurs on the Property after the execution date hereof; or

(3) Any activity or omission of activity carried on or undertaken on or off the Property, on or after the execution date hereof, and whether by Trustor or any employees, agents, contractors or subcontractors of Trustor or any successor in title that is related to Trustor occupying or present on the Property, in connection with the handling, treatment, removal, storage, decontamination, cleanup, transport or disposal of any Hazardous Materials located or present on or under the Property. Trustor's indemnity obligations as they pertain to activities occurring off the Property shall only extend to activities performed by or arising from activities performed by Trustor or any employees, agents, contractors or subcontractors of Trustor.

The foregoing indemnity shall further apply to any residual contamination on or under the Property, 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, and irrespective of whether any of such activities were or will be undertaken in accordance with Hazardous Materials Laws. The provisions of this subsection shall survive the termination of this Deed of Trust, and shall remain in full force and effect. This indemnity obligation shall not extend to any claim arising from the Beneficiary's gross negligence or willful misconduct.

Section 6.4. Beneficiary's Rights.

The Trustor hereby acknowledges and agrees that: (i) this Article is intended as the Beneficiary's written request for information (and the Trustor's response) concerning the environmental condition of the Property as required by California Code of Civil Procedure Section 726.5; and (ii) each representation and warranty in this Deed of Trust or any of the other Loan Documents (together with any indemnity applicable to a breach of any such representation and warranty) with respect to the environmental condition of the property is intended by the Beneficiary and the Trustor to be an "environmental provision" for purposes of California Code of Civil Procedure Section 736.

In the event that any portion of the Property is determined to be "environmentally impaired" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as that term is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting the Beneficiary's or the Trustee's rights and remedies under this Deed of Trust, the Beneficiary may elect to exercise its
The following shall constitute Events of Default: (1) failure to make any payment to be paid by Trustor under the Loan Documents, after the expiration of any notice and cure period set forth therein; or (2) failure to observe or perform any of Trustor's other covenants, agreements or obligations under the Loan Documents, including, without limitation, the provisions concerning discrimination, after the expiration of any notice and cure period set forth therein.

Section 7.2. Acceleration of Maturity.

If an Event of Default shall have occurred and be continuing, then at the option of the Beneficiary, the amount of any payment related to the Event of Default and the unpaid Principal of the Note shall immediately become due and payable, upon written notice by the Beneficiary to the Trustor (or automatically where so specified in the Loan Documents), and no omission on the part of the Beneficiary to exercise such option when entitled to do so shall be construed as a waiver of such right.

Section 7.3. The Beneficiary's Right to Enter and Take Possession.

If an Event of Default shall have occurred and be continuing, the Beneficiary may:

(a) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems
necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any Event of Default or Notice of Default (as defined below) hereunder or invalidate any act done in response to such Default or pursuant to such Notice of Default and, notwithstanding the continuance in possession of the Security, Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any Event of Default, including the right to exercise the power of sale;

(b) Commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof;

(c) Deliver to Trustee a written declaration of default and demand for sale, and a written notice of default and election to cause Trustor's interest in the Security to be sold ("Notice of Default and Election to Sell"), which notice Trustee or Beneficiary shall cause to be duly filed for record in the Official Records of the County of Los Angeles ("Official Records"); or

(d) Exercise all other rights and remedies provided herein, in the instruments by which the Trustor acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

Section 7.4. Foreclosure By Power of Sale.

Should the Beneficiary elect to foreclose by exercise of the power of sale herein contained, the Beneficiary shall give notice to the Trustee (the "Notice of Sale") and shall deposit with Trustee this Deed of Trust which is secured hereby (and the deposit of which shall be deemed to constitute evidence that the unpaid principal amount of the Note is immediately due and payable), and such receipts and evidence of any expenditures made that are additionally secured hereby as Trustee may require.

(a) Upon receipt of such notice from the Beneficiary, Trustee shall cause to be recorded, published and delivered to Trustor such Notice of Default and Election to Sell as then required by law and by this Deed of Trust. Trustee shall, without demand on Trustor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and Election to Sell and after Notice of Sale having been given as required by law, sell the Security, at the time and place of sale fixed by it in said Notice of Sale, whether as a whole or in separate lots or parcels or items as Trustee shall deem expedient and in such order as it may determine unless specified otherwise by the Trustor according to California Civil Code Section 2924g(b), at public auction to the highest bidder, for cash in lawful money of the United States payable at the time of sale. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed or any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Trustor, Trustee or Beneficiary, may purchase at such sale, and Trustor hereby covenants to warrant and defend the title of such purchaser or purchasers.
(b) After deducting all reasonable costs, fees and expenses of Trustee, including costs of evidence of title in connection with such sale, Trustee shall apply the proceeds of sale to payment of: (i) the unpaid Principal amount of the Note; (ii) all other amounts owed to Beneficiary under the Loan Documents; (iii) all other sums then secured hereby; and (iv) the remainder, if any, to Trustor.

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

Section 7.5. Receiver.

If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without further notice to Trustor or anyone claiming under the Security, and without regard to the then value of the Security or the interest of Trustor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Security (or a part thereof), and Trustor hereby irrevocably consents to such appointment and waives further notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases, and all the powers and duties of Beneficiary in case of entry as provided herein, and shall continue as such and exercise all such powers until the date of confirmation of sale of the Security, unless such receivership is sooner terminated.

Section 7.6. Remedies Cumulative.

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

Section 7.7. No Waiver.

(a) No delay or omission of the Beneficiary to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy, or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every right, power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expeditious by the Beneficiary. No consent or waiver, expressed or implied, by the Beneficiary to any breach by the Trustor in the performance of the obligations hereunder shall be deemed or construed to be a consent to or waiver of performance of any other obligations of the Trustor hereunder. Failure on the part of the Beneficiary to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Beneficiary of its right hereunder or impair any rights, power or remedies consequent on any Event of Default by the Trustor.

(b) If the Beneficiary: (i) grants forbearance or an extension of time for the payment of any sums secured hereby; (ii) takes other or additional security or the payment of any
sums secured hereby; (iii) waives or does not exercise any right granted in the Loan Documents; (iv) releases any part of the Security from the lien of this Deed of Trust, or otherwise changes any of the terms, covenants, conditions or agreements in the Loan Documents; (v) consents to the granting of any easement or other right affecting the Security, or (vi) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under this Deed of Trust, or any other obligation of the Trustor or any subsequent purchaser of the Security or any part thereof, or any maker, co-signer, endorser, surety or guarantor (unless expressly released); nor shall any such act or omission preclude the Beneficiary from exercising any right, power or privilege herein granted or intended to be granted in any Event of Default then made or of any subsequent Event of Default, nor, except as otherwise expressly provided in an instrument or instruments executed by the Beneficiary shall the lien of this Deed of Trust be altered thereby.

Section 7.8. Suits to Protect the Security.

The Beneficiary shall have power to (a) institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Security and the rights of the Beneficiary as may be unlawful or any violation of this Deed of Trust, (b) preserve or protect its interest (as described in this Deed of Trust) in the Security, and (c) restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement for compliance with such enactment, rule or order would impair the Security thereunder or be prejudicial to the interest of the Beneficiary.


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

Section 7.10. Waiver.

The Trustor waives presentment, demand for payment, notice of dishonor, notice of protest and nonpayment, protest, notice of interest on interest and late charges, and diligence in taking any action to collect any sums owing under the Note or in proceedings against the Security, in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this Deed of Trust.

ARTICLE 8.
MISCELLANEOUS

Section 8.1. Amendments.
This instrument cannot be waived, changed, discharged or terminated orally, but only by
an instrument in writing signed by Beneficiary and Trustor.

Section 8.2. Reconveyance by Trustee.

Upon written request of Beneficiary stating that all sums secured hereby have been paid
or forgiven and all obligations under the Loan Documents have been performed in full, and upon
surrender of this Deed of Trust to Trustee for cancellation and retention, and upon payment by
Trustor of Trustee's reasonable fees, Trustee shall reconvey the Security to Trustor, or to the
person or persons legally entitled thereto.

Section 8.3. Notices.

If at any time after the execution of this Deed of Trust it shall become necessary or
convenient for one of the parties hereto to serve any notice, demand or communication upon the
other party, such notice, demand or communication shall be in writing and shall be served
personally or by depositing the same in the registered United States mail, return receipt
requested, postage prepaid and (1) if intended for Beneficiary shall be addressed to:

HACLA PDS LLC
c/o Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, Third Floor
Los Angeles, CA 90057
Attention: Douglas Guthrie, President and Chief Executive Officer

with a copy to:

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attention: Michelle D. Brewer

and (2) if intended for Trustor shall be addressed to:

Pueblo del Sol II Housing Partners, L.P.
c/o The Related Companies of California, LLC
18201 Von Karman Avenue, Suite 900
Irvine, CA 92612
Attention: Frank Cardone

with a copy to:

Bocarsly Emden Cowan Esmail & Arndt, LLP
633 W. Fifth Street, 64th Floor
Los Angeles, CA 90071
Attention: Lance Bocarsly
and (3) if intended for Investor shall be addressed to:

GSB LIHTC INVESTOR LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
Attention: Urban Investment Group Portfolio Manager
Email: gs-uig-portfolio-manager@gs.com

with a copy to:

GSB LIHTC INVESTOR LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, NY 10282
Attention: Scott Maxfield
Email: scott.maxfield@gs.com

with a copy to:

gs-uig-docs@gs.com

with a copy to:

GSB LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Bank USA
2001 Ross Avenue #2800
Dallas, TX 75201
Attention: Michael Dalton
Email: michael.dalton@gs.com

Any notice, demand or communication shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed in the manner herein specified, on the delivery date or date delivery is refused by the addressee, as shown on the return receipt. Either party may change its address at any time by giving written notice of such change to Beneficiary or Trustor as the case may be, in the manner provided herein, at least ten (10) days prior to the date such change is desired to be effective. Beneficiary hereby agrees that any cure of an Event of Default made or tendered hereunder by the Trustor's investor limited partner shall be accepted or rejected on the same basis as if made or tendered by Trustor.
Section 8.4. **Successors and Joint Trustors.**

Where an obligation is created herein binding upon Trustor, the obligation shall also apply to and bind any transferee or successors in interest. Where the terms of the Deed of Trust have the effect of creating an obligation of the Trustor and a transferee, such obligation shall be deemed to be a joint and several obligation of the Trustor and such transferee. Where Trustor is more than one entity or person, all obligations of Trustor shall be deemed to be a joint and several obligation of each and every entity and person comprising Trustor (but excluding any limited partner of Trustor).

Section 8.5. **Captions.**

The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Deed of Trust.

Section 8.6. **Invalidity of Certain Provisions.**

Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof is declared to be illegal or invalid for any reason whatsoever by a court or other body of competent jurisdiction, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Security, the unsecured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid or applied to the full payment of that portion of the debt which is not secured or partially secured by the lien of this Deed of Trust.

Section 8.7. **Governing Law.**

This Deed of Trust shall be governed by and construed in accordance with the laws of the State of California.

Section 8.8. **Gender and Number.**

In this Deed of Trust the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

Section 8.9. **Deed of Trust, Mortgage.**

Any reference in this Deed of Trust to a mortgage shall also refer to a deed of trust and any reference to a deed of trust shall also refer to a mortgage.

Section 8.10. **Actions.**

Trustor agrees to appear in and defend any action or proceeding purporting to affect the Security.
Section 8.11.  **Substitution of Trustee.**

Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers, and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and its place of record, which, when duly recorded in the proper office of the county or counties in which the Property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Section 8.12.  **Statute of Limitations.**

The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

Section 8.13.  **Acceptance by Trustee.**

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

Section 8.14.  **Acknowledgement.**

Trustor acknowledges that Beneficiary shall have the right to assign any and all rights of Beneficiary under this Deed of Trust to the Housing Authority of the City of Los Angeles, a public body, corporate and politic.

**ARTICLE 9. LIMITATIONS ON CONVEYANCE**

Section 9.1.  **Tax Credit Provisions.**

Notwithstanding anything to the contrary contained herein or in any documents secured by this Deed of Trust or contained in any subordination agreement, the Beneficiary acknowledges and agrees that in the event of a foreclosure or deed-in-lieu of foreclosure (collectively, "Foreclosure") with respect to the property encumbered by this Deed of Trust, the following rule contained in Section 42(h)(6)(E)(ii) of the Internal Revenue Code of 1986, as amended, shall apply:

For a period of three (3) years from the date of Foreclosure, with respect to any unit that had been regulated by the regulatory agreement with the California Tax Credit Allocation Committee: (i) none of the tenants occupying those units at the time of Foreclosure may be evicted or their tenancy terminated (other than for good cause); (ii) nor may any rent be increased except as otherwise permitted under Section 42 of the Code.
IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year first above written.

TRUSTOR:

PUEBLO DEL SOL II HOUSING PARTNERS, L.P., a California limited partnership

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, its administrative general partner

By: _______________________
    Frank Cardone, President

By: LOMOD PDS LLC, a California limited liability company, its managing general partner

By: La Cienega LOMOD, Inc. a California nonprofit public benefit corporation, its sole member and manager

By: _______________________
    Tina Smith-Booth, President
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )

) )

COUNTY OF __________________ )

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

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

WITNESS my hand and official seal.

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

STATE OF CALIFORNIA  )
)  
COUNTY OF _______________ )

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

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

WITNESS my hand and official seal.

____________________________________
Name:   ______________________________
Notary Public
EXHIBIT A

Legal Description

(Pueblo del Sol-Phase II)

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 83°24'45" WEST 93.26 FEET; THENCE LEAVING SAID CENTERLINE NORTH 85°40'52" WEST 2.84 FEET; THENCE NORTH 85°40'52" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE LEAVING SAID RIGHT-OF-WAY LINE NORTH 85°40'52" WEST 250.73 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

EXCEPT THEREFROM THAT PORTION OF LAND DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINES OF UTAH STREET AND VIA LAS VEGAS, AS SHOWN ON SAID TRACT; THENCE, ALONG THE CENTERLINE OF SAID VIA LAS VEGAS, THE FOLLOWING TWO (2) COURSES: (1) NORTH 85°46’10” WEST 185.69 FEET; AND (2) NORTH 83°28’59” WEST 46.05 FEET TO THE SOUTHERLY PROLONGATION OF THE EASTERLY LINE OF SAID LOT 8; THENCE NORTH 04°14’27” EAST, ALONG SAID PROLONGATION, 38.87 FEET TO THE SOUTHEASTERLY CORNER OF SAID LOT 8; THENCE NORTH 04°22’16” EAST 25.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH
04°22’16” EAST 1.97 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 27.21 FEET NORTHERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8; THENCE, ALONG SAID PARALLEL LINE, SOUTH 85°44’46” EAST 250.64 FEET TO A POINT IN THE EASTERLY BOUNDARY OF SAID LOT 6, SAID POINT BEING ON A CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 170.00 FEET, A RADIAL LINE OF SAID CURVE THROUGH SAID POINT BEARS NORTH 87°20’31” EAST; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 0°40’04” AN ARC DISTANCE OF 1.98 FEET TO A LINE THAT IS PARALLEL WITH AND DISTANT 25.24 FEET NORTHERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHERLY LINE OF SAID LOT 8 AND PASSES THROUGH SAID TRUE POINT OF BEGINNING; THENCE NORTH 85°44’46” WEST, ALONG SAID PARALLEL LINE, 250.87 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL 2:

LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL 3:

LOT 7 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 5173-029-907, 5173-029-911; 5173-029-947
ASSIGNMENT AND ASSUMPTION OF ACQUISITION LOAN DOCUMENTS

THIS ASSIGNMENT AND ASSUMPTION OF ACQUISITION LOAN DOCUMENTS (this "Agreement") is made as of May 1, 2021 (the "Effective Date") by and between HACLA PDS LLC, a California limited liability company ("Assignor") and the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic ("Assignee") with reference to the following facts:

RECITALS

A. WHEREAS, Assignee is the fee owner of that certain real property located at 1300 Plaza Del Sol E, City of Los Angeles, County of Los Angeles, State of California (the "Property"), as more fully described in Exhibit A, attached hereto and made a part hereof;

B. WHEREAS, to facilitate the acquisition of the improvements on the Property by Pueblo del Sol II Housing Partners, L.P., a California limited partnership (the "Partnership") from Assignor, Assignor made a loan to the Partnership pursuant to the terms of that certain Acquisition Loan Agreement by and between the Partnership and Assignor, which loan was evidenced by that certain Promissory Note in the original principal amount of Eighteen Million Seven Hundred Thirty Thousand Dollars ($18,730,000) and secured by that certain Acquisition Loan Leasehold Deed of Trust, Assignment of Rents and Security Agreement all dated as of May 1, 2021 and recorded in the Official Records of the County of Los Angeles on [_______________] as Instrument No. [___________] (collectively, the "Loan Documents").

C. WHEREAS, the Assignor desires to assign to the Assignee all of the rights, duties, and obligations of the Assignor under the Loan Documents relating to the period from and after the Effective Date; and

D. WHEREAS, the Assignee wishes to assume such rights, duties, and obligations.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:
AGREEMENT

1. **Recitals and Definitions.** The recitals set forth above are true and accurate and are incorporated herein by reference. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to such terms in the Loan Documents.

2. **Assignment and Assumption.** The Assignor hereby assigns to the Assignee, and Assignee hereby accepts and assumes from Assignor, all of the Assignor's rights, title, interest and obligations under the Loan Documents arising from and after the Effective Date, which rights and obligations are more particularly described in the Loan Documents. Without limiting the foregoing, Assignee hereby agrees to perform all of the obligations under the Loan Documents arising from and after the Effective Date.

3. **Release of Liability.** The parties hereto agree that the Assignor shall be released from all liability for obligations to be performed under the Loan Documents on and after the Effective Date but shall remain liable in accordance with the terms of the Loan Documents for any obligation accruing prior to the Effective Date.

4. **Notice.** All correspondence and notices given or required to be given to the Assignor under the Loan Documents, from and after the Effective Date, shall be provided to the Assignee and shall be addressed as follows:

   Assignee:
   
   Housing Authority of the
   City of Los Angeles
   2600 Wilshire Blvd., Third Floor
   Los Angeles, CA 90057
   Attn: President and CEO

5. **Successors and Assigns.** This Agreement applies to, inures to the benefit of, and binds all parties hereto and their respective successors and assigns.

6. **Counterparts.** This Agreement may be executed in multiple counterparts, all of which, when taken together, shall be deemed an original upon execution.

[SIGNATURE PAGE FOLLOWS]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ASSIGNOR:

HACLA PDS LLC, a California limited liability company

By: HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, its sole member and manager

By: __________________________
Douglas Guthrie
President and CEO

ASSIGNEE:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: __________________________
Douglas Guthrie
President and CEO

[Signatures must be notarized]
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _______________

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

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A

Legal Description

PARCEL 1:

THOSE PORTIONS OF LOTS 6 AND 8, OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 4 PUNCH MARKS ON THE MANHOLE RIM AT THE CENTERLINE INTERSECTION OF PLAZA DEL SOL AND VIA LAS VEGAS PER SAID TRACT MAP; THENCE ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 85°41'49" WEST 185.74 FEET; THENCE CONTINUING ALONG THE CENTERLINE OF VIA LAS VEGAS NORTH 83°24'45" WEST 93.26 FEET; THENCE NORTH 85°40'52" WEST 2.84 FEET; THENCE LEAVING SAID CENTERLINE NORTH 04°19'08" EAST 62.24 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 04°19'08" EAST 151.53 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF PLAZA DEL SOL OF SAID TRACT NO. 53421; THENCE ALONG SAID LINE SOUTH 85°35'38" EAST 82.01 FEET TO A CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 170.00 FEET THROUGH A CENTRAL ANGLE OF 83°38'02"; THENCE SOUTHEASTERLY ALONG SAID CURVE 248.15 FEET TO THE TRUE POINT OF BEGINNING.

SAID LAND IS SHOWN AS “LOT 1” ON CERTIFICATE OF COMPLIANCE FOR LOT-LINE ADJUSTMENT PURSUANT TO PARCEL MAP EXEMPTION NO. AA-2004-6412-PMEX RECORDED MARCH 08, 2005 AS INSTRUMENT NO. 05-0524904 OF OFFICIAL RECORDS.

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LOT 3 OF TRACT OF TRACT NO. 53421, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 1284, PAGES 56 THROUGH 62 INCLUSIVE OF MAPS, AND AS PER CERTIFICATE OF CORRECTION RECORDED ON NOVEMBER 02, 2010 AS INSTRUMENT NO. 20101573670 OF OFFICIAL RECORDS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

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APN: 5173-029-907, 5173-029-911; 5173-029-947
OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

THIS OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this “Agreement”) is entered into as of [_______], 2021 by and between Pueblo del Sol II Housing Partners, L.P., a California limited partnership (“Owner”), Housing Authority of the City of Los Angeles, a public body corporate and politic (“Optionee”), Related/Pueblo del Sol II Development Co., LLC, a California limited liability company (“Administrative General Partner”), LOMOD PDS LLC, a California limited liability company (“Managing General Partner”), and GSB LIHTC Investor LLC, a Delaware limited liability company (“Investor Limited Partner”).

RECITALS

A. Owner has a ground leasehold interest in certain land and owns the improvements located thereon which consists of 176 residential apartment units (including one (1) manager’s unit) for families located in Los Angeles, California, which is more particularly described in Exhibit A attached to this Agreement and incorporated herein by this reference including all net cash assets (together, the “Project”), which is intended to qualify for federal low income housing tax credits pursuant to the terms of that certain Amended and Restated Agreement of Limited Partnership of even date herewith (the “Partnership Agreement”).

B. Optionee is the ground lessor and an Affiliate of the Managing General Partner.

C. Owner has agreed to grant Optionee an option to purchase the Project or the limited partnership interest of the Investor Limited Partner (the “LP Interest”) and right of first refusal to purchase the Project or the LP Interest to the extent permitted under Section 1.02 of this Agreement.

D. The consent of the Investor Limited Partner and the General Partners is required for any sale of the Project under the Partnership Agreement and by executing this Agreement the Investor Limited Partners and the General Partners hereby consent to the sale of the Project or the LP Interest, as applicable, under the terms and conditions of this Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1
Grant of Purchase Option and Right of First Refusal

1.1 Purchase Option. The Optionee (or its designated Affiliate) shall have an option to purchase the Project or to purchase the Investor Limited Partner’s Interest (the “Purchase Option”), which option shall be exercisable beginning January 1st of the year following the final year of the Compliance Period for the last Building in the Project and ending 24-months later (“Option Period”).

1.2 Right of First Refusal. So long as Optionee (or its designated Affiliate) qualifies as an organization described in Section 42(i)(7)(A) of the Code, Optionee (or its designated Affiliate qualified under Section 42(i)(7)(A)) shall have a right of first refusal to purchase the Project (the “Right of First Refusal”), which Right of First Refusal shall be exercisable for a period of 24 months after the conclusion of the Compliance Period with respect to the last
Building in the Project (the “Right of First Refusal Period”). With respect to the exercise of the Right of First Refusal as to the Project only as opposed to the purchase of the LP Interest as currently provided for under Section 42(i)(7) of the Internal Revenue Code (the “Project Purchase Requirement”): if (A) the IRS issues a Private Letter Ruling (“PLR”) that is addressed to, and may be relied upon by, the Partnership and (B) such PLR is of specificity and wording acceptable to the Investor Limited Partner (as indicated by the Investor Limited Partner in writing) or (C) the Code and/or Regulations are changed, in each case expressly providing for the exercise of the Right of First Refusal as to the LP Interest, then the Investor Limited Partner will indicate in writing that the Project Purchase Requirement is no longer required and will allow the Optionee to exercise of the Right of First Refusal as to either the Project or the LP Interest. All determinations with respect to this clause shall be made by the Investor Limited Partner in its sole discretion.

ARTICLE 2
Manner of Exercising the Purchase Option and Right of First Refusal

2.1 Purchase Option Exercise. Optionee may exercise the Purchase Option by delivering to Owner, during the Option Period, written notice of the exercise (the “Option Notice”). The Option Notice shall state that the Purchase Option is exercised without condition or qualification.

2.2 Right of First Refusal Exercise. If the Partnership intends to dispose of the Project during the Right of First Refusal Period, then prior to accepting any bona fide, third party offer to purchase the Project, Owner shall notify Optionee of such offer and deliver to Optionee a copy thereof and Optionee shall have one hundred twenty (120) calendar days to provide written notice to the Partnership that Optionee (or its designated Affiliate qualified under Section 1.2 above (the “Right of First Refusal Notice”). The Right of First Refusal Notice shall state that the Right of First Refusal is exercised without condition or qualification.

(a) With respect to the “bona fide purchase offer” requirement that appears in Section 42(i)(7) of the Internal Revenue Code (the “Bona Fide Requirement”): if (A) the IRS issues a PLR that is addressed to, and may be relied upon by, the Partnership and (B) such PLR is of specificity and wording acceptable to the Investor Limited Partner (as indicated by the Investor Limited Partner in writing) or (C) if the Investor Limited Partner comes into possession of PLRs unrelated to the Partnership regarding the Bona Fide Requirement that it deems sufficient in terms of number and specificity (or the IRS issues binding guidance regarding the Bona Fide Requirement otherwise acceptable to the Investor Limited Partner) or (D) the Code and/or Regulations are changed, then the Investor Limited Partner will indicate in writing that the Bona Fide Requirement is no longer a condition precedent to exercise of the Refusal Right. All determinations with respect to the this Section 2.2(a) shall be made by the Investor Limited Partner in its sole but reasonable discretion.

ARTICLE 3
Purchase Price

3.1 Purchase Price Under the Purchase Option.
(a) If the Optionee exercises its Purchase Option to purchase the Project, the purchase price shall be equal to the greater of (i) the fair market value of the Project or (ii) the sum of the amount (assuming payment of, or reservation for, prior obligations of the Partnership) necessary to (x) pay the existing debt on the Project plus (y) distribute to the Investor Limited Partner the amount of any unreimbursed adjustment payments pursuant to Sections 5.2 and 8.11(d) of the Partnership Agreement. The fair market value of the Project shall be determined in the manner set forth in Section 3.1(c)(i)-(iv) below.

(b) If the Optionee exercises its Purchase Option to purchase the Investor Limited Partner’s Interest, then the amount to be paid to the Investor Limited Partner by the Optionee for its Interest shall equal the greater of (i) the amount the Investor Limited Partner would receive if the Project were sold for its fair market value or (ii) the amount necessary to distribute to the Investor Limited Partner the amount of any unreimbursed adjustment payments pursuant to Sections 5.2 and 8.11(d) of the Partnership Agreement. The fair market value of the Investor Limited Partner’s Interest shall be determined in manner set forth in Section 3.1(c)(i)-(iv) below, as applicable to the appraisal of the Investor Limited Partner’s Interest. For the avoidance of doubt, the purchase price under the Purchase Option shall not include any of the Investor Limited Partner’s tax liability resulting from the exercise of the Purchase Option under Sections 3.1(a) or 3.1(b).

(c) For the purposes hereof, the fair market value shall be calculated as follows:

(i) The Optionee shall, subject to the Investor Limited Partner’s reasonable consent, select an independent appraiser. The appraiser shall be expert in the valuation of property comparable to the Project.

(ii) The fair market value of the Project, or the Investor Limited Partner’s Interest, as applicable, shall be the appraised value rendered by the real estate appraiser so selected.

(iii) Any real estate appraiser engaged to render an appraisal hereunder must be experienced in valuing real estate similar to the Project and/or the Partnership Interests, as applicable. The appraisers shall take into account in determining the fair market value of the Project, or the Investor Limited Partner’s Interest, as applicable, the continuing existence of any restriction on rents and income of the residents as set forth in any Project Document.

(iv) If the parties are unable to agree upon an appraiser, Optionee and the Investor Limited Partner shall each select an appraiser. If the difference between the two appraisals is within ten percent (10%) of the lower of the two appraisals, the fair market value shall be the average of the two appraisals. If the difference between the two appraisals is greater than ten percent (10%) of the lower of the two appraisals, then the two appraisers shall jointly select a third appraiser. If the two appraisers are unable jointly to select a third appraiser, either Optionee or the Investor Limited Partner may, upon written notice to the other, request that the appointment be made by the American Arbitration Association or its
designee. If the third appraisal is less than either of the first two, then fair
market value shall be the average of the two lowest appraisals. If the third
appraisal is greater than the first two, then fair market value shall be the
average of the two highest appraisals. If the third appraisal falls between
the previous two appraisals, the fair market value shall be the value
established by the third appraisal. The Optionee and the Investor Limited
Partner shall share the cost equally of any appraiser jointly selected or
shall pay the costs of the appraiser they each select and shall share the cost
equally of any third appraiser.

3.2 Purchase Price Under the Right of First Refusal. If the Optionee exercises its
Right of First Refusal to purchase the Project, the purchase price shall be equal to the sum of the
amount (assuming payment of, or reservation for, prior obligations of the Partnership) necessary
to (x) pay the existing debt on the Project or to which the Project is subject plus (y) distribute to
the Investor Limited Partner an amount equal to the state and local transfer taxes for the Investor
Limited Partner (or, if such Partner is a pass through entity for tax purposes, the collective tax
liability of all the partners, members or other participants of or in such entity) resulting from the
sale, and the tax liability thereon plus (z) distribute to the Investor Limited Partner the amount of
any unreimbursed adjustment payments pursuant to Sections 5.2 and 8.11(d) of the Partnership
Agreement. The calculation under clause (y) of the preceding sentence shall be based on the
assumption that each Partner (or, if any such Partner is a pass through entity for tax purposes,
each of the partners, members or participants of or in such entity) is subject to tax with respect to
such disposition at the maximum marginal federal, state and local tax rates applicable to it. If the
Optionee exercises its Right of First Refusal to purchase the LP Interest (to the extent permitted
under Section 1.2 hereof and subject to any requirements of the Code or other guidance
referenced in Section 1.2), the purchase price shall be equal to the sum of the amount the
Investor Limited Partner would have received if the Optionee had exercised its Right of First
Refusal to purchase the Project.

ARTICLE 4
Completion of Sale

4.1 Closing. Upon determination of the purchase price as set forth in Section 3.1 or
3.2 above, the Partnership and the Optionee shall enter into a written contract for the purchase
and sale of the Project or the Investor Limited Partner’s Interest, as applicable, in accordance
with the terms of the Purchase Option or the Right of First Refusal, as applicable, and such other
terms and conditions as are standard and customary for similar commercial transactions in the
geographic area which the Project is located, providing for a closing not later than 180 days after
the price has been determined; provided, however, that such date may be extended for a period
not to exceed 90 days, if necessary, to obtain any required Lender, HUD or Agency consents. If
the closing on the Purchase Option or the Right of First Refusal, as applicable, has not occurred
with such period, the Purchase Option or the Right of Refusal, as applicable, shall terminate. In
the absence of any such contract, this Agreement shall be specifically enforceable upon the
exercise of the Purchase Option or the Right of First Refusal, as applicable, in accordance with
this Agreement. The purchase and sale of the Project hereunder shall be closed through a deed-
and-money escrow with the title insurer for the Project or another mutually acceptable title
company. Upon closing, the Partnership shall deliver to the Optionee along with the deed to the
property, an Owner’s Policy dated as of the close of escrow in the amount of the purchase price, subject to the liens, encumbrances and other exceptions then affecting the title. If the Purchase Option or the Right of First Refusal exercised is for the Project, the Partnership shall be responsible for all costs including, but not limited to, transfer taxes, title policy premiums and recording costs. If the Purchase Option exercised is for the Investor Limited Partner’s Interest, the Optionee shall be responsible for all costs including, title policy premiums and recording costs, but shall not be responsible for any transfer taxes, title policy premiums and recording costs.

4.2 No Waiver. The General Partners hereby acknowledge, covenant and agree that the exercise of the Purchase Option or the Right of First Refusal shall not waive or release the General Partners of any liability or obligations to make any payments to or otherwise indemnify the Investor Limited Partner pursuant to the Partnership Agreement, including, without limitation, under Sections 8.10 and 8.11(d) thereof; provided, however, that a default by or removal or a General Partner under the Partnership Agreement shall not limit or defeat in any way the right of the Optionee to exercise the Purchase Option or Right of First Refusal under this Agreement.

ARTICLE 5
Assignment

5.1 Optionee may not assign its rights under this Agreement except that Optionee may assign Optionee’s rights hereunder to an Affiliate of Optionee so long as, for the purposes of the Right of First Refusal, such Affiliate is qualified under Section 42(i)(7)(A). Any such assignment shall not, however, release Optionee from its obligations under this Agreement.

ARTICLE 6
Quitclaim Instrument on Termination of Purchase Option and Right of First Refusal

6.1 Upon termination of this Purchase Option and Right of First Refusal pursuant to the terms of this Agreement, Optionee agrees, upon Administrative General Partner’s or Investor Limited Partner’s request, to execute and deliver an instrument (in form appropriate for recording if this Agreement or a memorandum thereof has been recorded as of such time) relinquishing and terminating its rights under this Agreement to Owner within thirty (30) days after termination and to execute, acknowledge and deliver any other documents required by Owner’s title insurance company to remove this Agreement as an encumbrance against the Project.

ARTICLE 7
Notices

Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be personally delivered including but not limited to overnight delivery or deposited in the certified U.S. mail, return receipt requested, first class and postage prepaid, addressed to each party at the following addresses or such other address as may be designated by a notice pursuant to this Article 7:

If to Owner:
Pueblo del Sol II Housing Partners L.P.
c/o The Related Companies of California
333 South Grand Avenue, suite 4450
Los Angeles, CA 90071

with copies to:

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 64th Floor
Los Angeles, CA 90071
Attention: Lance Bocarsly

and, if intended for Optionee, shall be addressed to:

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard
Los Angeles, CA 90057
Attn: President and CEO

With copies to:

Goldfarb & Lipman LLP
1300 Clay Street, 11th Floor
Oakland, CA 94612
Attention: Michelle Brewer

Any notice provided in accordance with this Article 7 shall be deemed to have been given on the delivery date or the date that delivery is refused by the addressee, as shown on the return receipt.

ARTICLE 8
Attorneys’ Fees

In the event of any action, arbitration, or proceeding at law or in equity to enforce any provision of this Agreement or to protect or establish any right or remedy of any party hereunder, each party shall bear its own attorneys’ fees, costs and expenses.

ARTICLE 9
Miscellaneous
(a) Each party hereby agrees to indemnify the other party from and against any real estate brokerage commissions or similar obligations incurred by the indemnifying party as a result of the negotiations or exercise of the Purchase Option or the Right of First Refusal.

(b) Contemporaneously with the execution of this Agreement, the parties may execute, acknowledge and record the Memorandum of Option evidencing this Agreement in the Official Records of the County in which the Project is located.

(c) The rights and obligations of the parties to this Agreement shall inure to the benefit of and bind their respective permitted successors and assigns.

(d) The captions used herein are for convenience of reference only and are not part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

(e) Time is of the essence of each and all of the agreements, covenants and conditions of this Agreement.

(f) This Agreement shall be interpreted in accordance with and governed by the laws of the State of California.

(g) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral and written. This Agreement may not be amended or modified in any respect whatsoever except by an instrument in writing signed by the parties.

(h) All capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in the Partnership Agreement.

(i) This Agreement may be executed in one or more counterparts by some or all of the parties hereto, each of which counterparts shall be an original and all of which taken together shall constitute a single agreement.

(j) Notwithstanding any provisions to the contrary set forth elsewhere herein, this Agreement and the rights of the Optionee hereunder shall be subject and subordinate in all respects to (i) the RAD Use Agreement, (ii) the lien, security interest and rights granted under the leasehold mortgages securing the Construction Loan, the Subordinate Loan, and the Permanent Loan and the Loan Documents, (iii) all advances or charges made or accruing under or secured by the Loan Documents, and (iv) any extensions, modifications or renewals of the indebtedness secured by the Loan Documents.

[THE NEXT PAGE IS THE SIGNATURE PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

OWNER:

Pueblo del Sol II Housing Partners, L.P., a California limited partnership

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, its Administrative General Partner

By: LOMOD PDS LLC, a California limited liability company, its Managing General Partner

By: La Cienega LOMOD, Inc., a California nonprofit public benefit corporation, its sole member and manager

OPTIONEE:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: Douglas Guthrie
Name: Douglas Guthrie
Title: President and Chief Executive Officer

[Signature Page to Option and ROFR Agreement]
ADMINISTRATIVE GENERAL PARTNER:

Related/Pueblo del Sol II Development Co., LLC,
a California limited liability company

By: 
Name: Frank Cardone
Title: President

MANAGING GENERAL PARTNER:

LOMOD PDS LLC,
a California limited liability company

By: La Cienega LOMOD, Inc.,
a California nonprofit public benefit corporation,
its sole member and manager

By: 
Name: Tina Smith-Booth
Title: President

INVESTOR LIMITED PARTNER:

GSB LIHTC Investor LLC,
a Delaware limited liability company

By: GSB UIG LLC,
a Delaware limited liability company

By: 
Name: Andrea Gift Allan
Title: Authorized Signatory
EXHIBIT A

(Legal Description)

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LOS ANGELES IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:
MEMORANDUM OF OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

THIS MEMORANDUM OF OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this “Memorandum”) is made and entered into as of [________], 2021, by and between Pueblo del Sol II Housing Partners, L.P., a California limited partnership (“Owner”), and the Housing Authority of the City of Los Angeles, a public body, corporate and politic (“Optionee”).

Owner and Optionee, with the consent of Administrative General Partner, Managing General Partner and Investor Limited Partner (each as defined therein), entered into that certain Option and Right of First Refusal Agreement dated on or near the date hereof (the “Option and ROFR”) with regard to that certain real property located in the County of Los Angeles, California, as more particularly described in Exhibit A attached hereto (the “Property”).

The purpose of this Memorandum of Option and Right of First Refusal Agreement is to give notice of the Option and ROFR and of the rights created thereby, all of which are hereby confirmed.

[SIGNATURES ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the date first above written.

OWNER:

Pueblo del Sol II Housing Partners, L.P., a California limited partnership

By: Related/Pueblo del Sol II Development Co., LLC, a California limited liability company, its Administrative General Partner

By:    
Name: Frank Cardone
Title: President

By: LOMOD PDS LLC, a California limited liability company, its Managing General Partner

By: La Cienega LOMOD, Inc., a California nonprofit public benefit corporation, its sole member and manager

By:    
Name: Tina Smith-Booth
Title: President

[ACKNOWLEDGMENT Follows ON NEXT PAGE]
ACKNOWLEDGMENT

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

State of _________________
County of _________________

On _________________ ___ 2021, before me, ______________________________ (name of notary), personally appeared, ______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature ______________________________ (Seal)

[SIGNATURES CONTINUE ON FOLLOWING PAGE]
OPTIONEE:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic

By: ______________________________
Name: Douglas Guthrie
Title: President and Chief Executive Officer

ACKNOWLEDGMENT

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

State of __________________
County of __________________

On ____________________ 2021, before me, _______________________________ (name of notary), personally appeared, _______________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _______________________________ (Seal)
EXHIBIT A
(Legal Description)

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